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An Immigration Quandary: The Netherlands Grapples With Its Identity

By Eugene Robinson
Washington Post Service

AMSTERDAM — In this city of winding canals and graceful old buildings, there is nothing remotely picturesque about the neighborhood where Carel Murzisz lives and works — a sprawling quadrant called Southeast, where modern apartment blocks march grimly to the horizon. Parts of the zone are sterile but thriving; other sectors, older and grittier, look and feel like a black American ghetto.

What distinguishes Southeast is its status as home to the Netherlands' heaviest concentration of immigrants from the former Dutch colony

Living in Color

How nations manage diversity
First of three articles

Suriname, on the Atlantic shoulder of South America — men and women like Mr. Murzisz, 54, who was a government security agent back home and now works at a community center. Nearly 300,000 strong by most estimates, the Surinamese in Southeast and similar neighborhoods in other big cities in the Netherlands pose questions that the nation — like other rich countries throughout the world — is urgently struggling to answer. In a white European country,

can these nonwhite newcomers ever truly blend into the national identity? Can they ever become truly Dutch?

Or is another process that takes place: Is the host society fundamentally changed by their presence, like it or not?

For Mr. Murzisz, the answers are complex. "I am still Surinamese," he said on first reflection. But later, he added: "The Dutch don't see me as an outsider." Then later: "Holland is a white country. The Dutch are your friends, but they still tell you, in effect, 'You can approach to this point, but no further.'"

And finally: "I think we are changing Holland."

These questions of assimilation are increasingly important, not only here in the Netherlands but in the rest of Europe and much of the industrialized world. Rich countries that once were overwhelmingly white have suddenly become much more racially diverse, mostly because of a flood of immigrants from poorer countries — former colonial subjects, refugees from war zones, economic migrants looking for opportunity, "guest workers" who will do the jobs that native Europeans find unsavory.

The transition has often been wrenching. Some native-born residents see the complexion of their country changing before their eyes, feel the culture shifting beneath their feet, and become resentful. Many immigrants feel unappreciated and unwelcome, seeing the attempt to fit into their new societies as a constant struggle.

The question of nation's sense of itself is particularly important in the Netherlands, Germany and other European countries, where nationality has long been based on shared ethnicity, shared "blood" — unlike the United States or Canada, for example, which view themselves as nations of immigrants.

The fact of increasing diversity can be seen in the World Cup soccer tournament, where European powers have fielded teams with many black

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Sampras Wins 5th Wimbledon Title



Pete Sampras hitting an overhead smash against Goran Ivanisevic on Sunday in the men's singles final at Wimbledon. Sampras won in five sets. It was his first Grand Slam title in a year. Page 20.

Military Presence Stops Ulster March Without Violence

Orangemen Disperse After Show Of Defiance Before Barbed Wire Blocking Entry to Catholic Street

By James F. Clarity
New York Times Service

PORTADOWN, Northern Ireland — The British government deployed hundreds of army troops and policemen Sunday to prevent several thousand Protestants of the patriotic Orange Order from marching, as it had since 1807, through the small Roman Catholic enclave of Drumcree in this town west of Belfast.

The government acted to prevent sectarian clashes between the Catholic minority and the Protestant majority in this predominantly Protestant province.

Most of the Orangemen, wearing black suits and orange sashes, dispersed after one of their leaders walked up to a huge concrete roadblock and spoke a message of protest through a high chain fence blocking the road to the Catholic area along the Garvaghy Road. But there was no one on the other side to listen, and no violence followed.

The government feared that the march might lead to rioting and vandalism, as it did in the last three annual parades here. Widespread violence could endanger the development of the recently approved peace agreement that is to enact drastic political reforms that will give Catholics more power in the North.

The government was clearly gambling that this year would be different, that Protestants, many of whom voted for the peace agreement in a referendum in May, would be less angry at Catholics and the government now than in 1996.

Then, a government ban on the march was announced and enacted for several days, before the decision was reversed because Protestant rioters wreaked millions of dollars of property damage. The Protestant violence and the decision to let them march provoked retaliation by Catholics.

"Only God will save us," said the parish priest of the Drumcree Protestant Church of Ireland, the Reverend John Pickering. He spoke to the congregation before it left the church to confront British officials.

But no officials, not even a soldier or a policeman, were at the roadblock.

"This is a total disgrace," said Harold Gracey, head of the local Orange Order. "We will stay here until we are allowed our legitimate right to walk on the road."

An hour after he spoke, most Orangemen had left the area, but some set up a British Union Jack and a white Ulster flag at a site facing the security

See ULSTER, Page 8



Portadown Orangemen standing before a roadblock Sunday that halted their annual march.

East Asia Leans to Risky Economic Shift

Price of Reinvigoration May Be Inflation and Weakening of Currencies

By Michael Richardson
International Herald Tribune

SINGAPORE — In a major shift of policy, an increasing number of East Asian countries are considering highly risky measures to reinvigorate their economies.

Officials and analysts said Sunday that these measures seemed likely to be adopted even at the risk of further weakening local currencies, igniting inflation and deterring foreign investment.

As economies slow more sharply than expected in almost every East Asian country, driving up unemployment and

swelling the ranks of the poor, governments are turning away from austerity policies prescribed by the International Monetary Fund to strengthen their currencies and revive investor confidence as financial turmoil in the region intensified in the second half of 1997.

Indeed, officials and analysts said that the IMF itself — under pressure from its sister organization, the World Bank and other critics to adopt a less stringent approach — is going along with the moves to spend more government money and ease the high interest rates choking industry and trade in the three hardest-hit East Asian countries under its care, In-

donesia, South Korea and Thailand. South Korea, Thailand, China, Hong Kong and Malaysia have recently reduced interest rates. Together with Singapore, they have also increased government spending.

This has put added pressure on Indonesia and other countries to follow, analysts said.

In the region's latest step away from strict austerity, the South Korean Finance Ministry announced Sunday that it had approved a big rise in the budget deficit and a cut in consumption taxes so

See ASIA, Page 8

In Rural Japan, Pork-Barrel Politics

By Nicholas D. Kristof
New York Times Service

KOCHI, Japan — All the world seems to be thumbing its nose at Japanese politicians these days, trying to get them to restructure the economy and reduce the risk of a global downturn. But here on the campaign trail, the message to the politicians is different.

When candidates for the parliamentary elections next Sunday stump in towns like Kochi, a pretty coastal hub of 320,000 surrounded by coves of

weathered fishing boats, the message that politicians get — and the one they echo — is Japan's need for more of the same.

The issues here have less to do with economic policy than with pork: the ab-

ility of an official to pick the pocket of the

central government and build roads,

bridges and dams. When the topic of

economic liberalization comes up, it is

often as an evil force to be constrained.

"We Japanese can't eat meat three

times a day," Hiroyuki Morishita, the

candidate for the governing Liberal

Democratic Party in the Kochi area, told an audience in the Fishermen's Center

in the little town of Nakatosa, in a swipe

at the government's willingness to liberalize meat imports. "I would like to respect the culture of fish! I want to

protect fishermen!"

Another local politician already

See JAPAN, Page 8

Florida's Smoky 4th: No Fireworks, Few Tourists

By Sue Anne Pressley
Washington Post Service

DAYTONA BEACH, Florida — The ocean was still here, of course, as was the sun, peeking through a gray gauze of smoke. But things were far from normal over the Fourth of July weekend on this 20-mile stretch of hard-packed sand

billied as "the World's Most Famous Beach."

"It's pitiful out here," said Sam Nichols, who manages a beach-buggy rental company, looking out on sands sparsely populated with bathers and wearing a surgical mask because of the smoke. "This is like an off, off, off day, nothing like the Fourth of July."

A few miles to the west, north and south, the wildfires that have dominated life on Florida's upper east coast for more than two weeks are away at the parched woodlands and pastures, blocking roadways and sometimes consuming homes. With such danger and heartache close by, it was hard for anyone here to enjoy what is normally one of the wildest holidays of the year. Most tourists just stayed away.

Those who did venture out found themselves smeared with ashes as well as suntan oil. A black line of soot marked the sand where the high tide had come in. Burned leaves floated in swimming pools. One man swore the seawater tasted like charcoal.

It may not have been a festive Fourth of July weekend here in the fire zone, but it was certainly a memorable one.

Houligan's Irish Sports Pub, normally filled with the carefree, was



A woman sifting through the debris of her in-laws' house in Volusia County, Florida. Parts of the state have been devastated by wildfires.

AGENDA

U.S. Won't Back a Certification of Iraq

WASHINGTON (Reuters) — The U.S. ambassador to the United Nations, Bill Richardson, said Sunday that the United States would oppose "very premature" an expected move in the UN Security Council to certify that Iraq has met its obligation to scrap its nuclear weapons programs.

"We want Iraq to answer more questions on nuclear design, nuclear exports and uranium technology," he said in a television interview.

Mr. Richardson also took a hard line against reported growing pressure from top aides to the UN secretary-general, Kofi Annan, to relax

economic sanctions imposed on Iraq after its 1990 invasion of Kuwait.

Meanwhile, Iraqi health officials charge that depleted uranium used by the United States during the Gulf War is causing cancer there now. Page 9.

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THE AMERICAS

Senator McCain Finds Smoke Gets in His Eyes

Tobacco Lobby Dims His White House Chances

By Dan Balz
Washington Post Service

WASHINGTON — Some politicians can only imagine the negative advertisements that will be broadcast against them if they run for president. Senator John McCain has already been there.

They came in the \$40 million lobbying barrage financed by tobacco companies and other opponents of the McCain tobacco tax bill that was blocked in the Senate last month.

When Senator McCain, Republican of Arizona, appeared on radio talk shows in Arizona or spoke in other states, he could hear echoes of the tobacco industry attacks from Republicans disillusioned by his sponsorship of a bill that would have raised the price of cigarettes by \$1.10 a pack.

"On talk shows, people would call up and they would unwittingly parrot those," the senator said.

"What's happening to you, John McCain?"

There wasn't any doubt in his mind, Mr. McCain added, that the tobacco ban has had a "significant effect" on his image as a conservative.

Senator McCain has been lionized in the media and elsewhere for his battles to reform campaign finance laws and reduce teenage smoking. But the past few months have been unusually difficult for him. The tobacco bill alienated members of his own party and blew up to his face.

A tasteless joke he delivered at a Republican fund-raiser damaged his good-guy image and prompted an abject apology to President Bill Clinton and his family.

As he looks toward re-election this fall and to the possibility of a presidential campaign in 2000, Mr. McCain must confront the question of whether a Republican who has battled his party so vigorously over the past two years can run around and successfully seek its presidential nomination.

The tobacco fight has had "a sobering effect" on his thinking about a presidential campaign of his own in 2000, he says.

"I don't have time to do things for the sake of a gesture," he said during an interview in his office shortly before Congress left town for its July recess.

"I've got too many things to worry about and do. I've been in office for 16 years. That is time to establish my credentials. If people want to question those credentials, they have every right to do so."

Mr. McCain never expected to be in this position. A few months ago, he had skillfully managed to move the tobacco bill out of the Senate Commerce Committee that he chairs on a 19-to-1 vote.

Once on the Senate floor, however, the measure was quickly transformed into the "Second Coming" of Mr. Clinton's national health care plan — a big government proposal that would boost taxes and enlarge the federal bureaucracy.

BOOKS

RAT PACK CONFIDENTIAL:
Frank, Dean, Sammy, Peter, Joey and the Last Great Showbiz Party
By Shawn Levy. 344 pages. \$23.95.
Doubleday.

Reviewed by Carolyn See

SHAWN LEVY can't make up his mind about the people he's writing about. One minute he's falling all over himself telling you how great they are; the next he's clutching like a censorious but salacious schoolmarm, making up lists of women (and the occasional theoretical man) those Rat Pack people slept with, or making up sentences where the nouns "boozes" and "broads" figure prominently (as if most American men never touched alcohol or sullied their chastity by having sex with a female).

This is strange journalism, and the word "confidential" is aptly added here to the title. This narrative has the taint, the whiff, of the old Confidential magazine — lip-smacking disapproval, ill-concealed delight at how the mighty have fallen.

Paradoxically, it is fun to read. Even if we think we've heard every last drooling detail about Sinatra's ties with the mob and President Kennedy and Marilyn Monroe, it's still pleasing to read transcripts of Sam Giancana whining about some stooge about how a favor is a favor, and why can't Sinatra deliver the president over to the mob in some cellophane-wrapped package.

Certainly we've all heard more about

BRIDGE

By Alan Truscott

AT the final of the International Team Trials in Tunica, Mississippi, the team headed by Jim Cayne of Manhattan led by 21 imps, after 30 deals of a scheduled 120, against a group headed by Nick Nickell of Manhattan. At stake was the right to be one of two teams to represent the United States in the next Bermuda Bowl world championship, scheduled in Bermuda in January 2000.

With one exception, this is the Nickell team that has won a bunch of national titles and one world championship in the last five years. Bob Flaman, Dick Freeman, Eric

Rodwell and Jeff Meckstroth have been joined by Paul Soloway, who has replaced Bob Wolff. In the semifinal they won by 81 imps against Richard Schwartz of Elmhurst, Queens, and his team.

In the other semifinal, the Cayne team, which consists of Chuck Burger, David Berkowitz, Larry Cohen, Mike Passell and Michael Scanlon, was equally convincing, winning by 118 against a foursome led by Bart Bramley of Chicago.

On the diagrammed deal, Hamman as South brought home a shaky four-spade contract with a little help from the defense. Soloway, North, might have raised spades immediately over the weak jump overcall in diamonds, but

chose to pass and then jump to game when his partner reopened with three hearts.

Hamman won the opening heart lead with the ace, and faced a guess in clubs. To have a good chance, he needed East to have the spade king. And if that player held the club ace in addition to the two major-spade kings, he might have been heard from in the bidding. So South led a club and put up dummy's king when West played low.

Convinced that the opening lead was a singleton, he led the heart six from dummy and took a very deep finesse. West ruffed, and underlined his club ace. East won with the queen, but instead of playing a third heart, scoring West's

Independence Day, When Americans March (or Eat and Wave) to Their Own Drummers



AP Wirephoto



AP Wirephoto

POLITICAL NOTES

After China, Juice Is the Thing

WASHINGTON — After a long trip to China that his aides believe strengthened him against the Republican Congress and Kenneth Starr, the independent prosecutor, President Bill Clinton returned home over the weekend and immediately took to the air waves on a domestic issue.

In his weekly radio address Saturday, Mr. Clinton did not focus on China. Instead, he announced new regulations to increase the safety of fruit and vegetable juices.

As in the past, Mr. Clinton dropped his foreign trip cold when he touched American soil and turned to domestic policy. His aides planned events on health care, drugs and juvenile crime to remind voters of the president's devotion to fixing problems that might seem more pressing than Chinese rights or rockets. (NYT)

Candidates Take On Classrooms

WASHINGTON — The hottest political issue around, if campaign commercials are any guide, may be too many students in America's classrooms.

As the midterm elections begin to beat up, candidates across the country are filling the airwaves with shots of smiling schoolchildren and promises to reform education.

With the economy booming and crime receding, concern about public schools has rocketed to the top of many campaign agendas. (WP)

Away From Politics

• A CIA report on how to prevent future intelligence miscalculation says the agency needs to find ways to make sure that cooperator views are heard. (AP)

• An appeals court has ruled that it is illegal for the government to promise leniency to witnesses in exchange for testimony. This could help Timothy McVeigh in his appeal of his conviction in the Oklahoma City bombing. (AP)

• Livestock owners around Yellowstone are going to court to have gray wolves removed from the national park, three years after their introduction. (AFP)

Will He or Won't He? Bets Shift on Clinton's Testifying About Intern

By Peter Baker
Washington Post Service

plain under oath his dealings with Ms. Lewinsky.

WASHINGTON — In the weeks after the Monica Lewinsky investigation began, George Stephanopoulos cast a skeptical eye on the doings of his former boss at the White House.

But there was one thing Mr. Stephanopoulos seemed certain about: President Bill Clinton would eventually testify and tell his side of the story about the former White House intern.

"He knows he can't get away with that and not testify," the former presidential adviser turned television news commentator said on ABC a couple of weeks after the scandal broke in January.

"He knows that he can't avoid testifying in this case because the political damage would be huge," Mr. Stephanopoulos added a month later.

But Mr. Clinton, it appears, knows nothing of the sort.

Whatever faith he once placed in Mr. Stephanopoulos' judgment, the president has apparently calculated that he can avoid testifying without huge political damage — and so far he has.

President Clinton has rebuffed about a half-dozen invitations from Kenneth Starr, the independent counsel, to ex-

tell her story to a grand jury and Ms. Lewinsky negotiating a deal to do the same in exchange for immunity. Mr. Clinton is virtually the only major witness left.

A confrontation could be looming.

The standoff between Mr. Starr and Mr. Clinton raises thorny issues, both political and constitutional. How would the country react if a president of the United States refused to testify, especially one who had promised to tell "more rather than less, sooner rather than later" about his relationship with Ms. Lewinsky?

Does Mr. Starr have the legal authority to subpoena a president who declines to cooperate? If he tried, how would the independent counsel enforce such a subpoena, and what could he do if President Clinton defied it?

"You don't need to convince your own people, and there's not enough you could ever do to convince your doobters."

So far as is publicly known, Mr. Starr has simply asked — or tried to compel — the president to answer questions about whether he had tried to cover up a sexual relationship with Ms. Lewinsky.

But with Linda Tripp, the colleague who tape-recorded Ms. Lewinsky, now

telling her story to a grand jury and Ms. Lewinsky negotiating a deal to do the same in exchange for immunity, Mr. Clinton is virtually the only major witness left.

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Mr. Clinton may yet testify. Public opinion polls are ambiguous. The White House takes heart from surveys showing public fatigue over the investigation, with most voters saying they do not believe Mr. Clinton should have to offer any more explanation of his ties with Ms. Lewinsky.

■ Lewinsky Talks Are Stalled

One month after Ms. Lewinsky replaced her legal team, negotiations on a deal with the independent counsel to avoid possible prosecution of the former White House intern have stalled, lawyers on both sides report. Stephen Labato of The New York Times reported from Washington.

The lawyers said that Kenneth Starr and Ms. Lewinsky had not reached agreement on any of the central issues.

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ASIA/PACIFIC

Clinton's Visit to China: In the End, U.S. Made Only Potential Advances

By John Pomfret
and Steven Mufson
Washington Post Service

BEIJING — An American businessman here was interviewing a Chinese job candidate last week when President Bill Clinton appeared on television speaking to students at Beijing University.

The job interview was suspended while they and the entire Chinese staff of the U.S. company watched Mr. Clinton's speech and question-and-answer session on television. Afterward, the American executive asked the candidate why he wanted to leave his job with the Chinese government.

"To quote President Clinton," the candidate replied, "I want to reach the fullness of my potential."

Mr. Clinton's nine-day visit to China was very much about potential, both for China and for Chinese-American relations.

For now, that potential hasn't been realized. Mr. Clinton achieved relatively little in the way of substantive bilateral agreements, leaving important

issues regarding Taiwan, weapons proliferation, trade and human rights outstanding. And the Chinese government gave nothing in terms of revising its view of the crackdown on Tiananmen Square. In sharp contrast to other international leaders who kowtow for contracts while avoiding sensitive topics, Mr. Clinton made his case for values that he said transcend national borders.

But for a few moments last week, the heavy doors of China's closed system cracked open.

In his public appearances on state-run television, Mr. Clinton painted an image of international cooperation, domestic liberalism and economic advancement that the two countries could achieve together. And in allowing Mr. Clinton to make his case directly to the people in two unusual live television broadcasts, the Chinese government put aside its usual obsession with controlling public debate and took a risky move in a society simmering with public discontent.

The president made the most of the opportunity, touching on virtually every taboo in Chinese public discourse: freedom of religion, individual liberties, political prisoners and Tiananmen Square. In sharp contrast to other international leaders who kowtow for contracts while avoiding sensitive topics, Mr. Clinton made his case for values that he said transcend national borders.

How or whether the week of openness will encourage a period of political relaxation will not be clear for some time. Many Chinese hailed Mr. Clinton's visit as a harbinger of a gradual opening of Chinese political dialogue, but others mourned the fact that such sensitive topics can be addressed only by the leader of the world's superpower while domestic critics of the government, including Zhao Ziyang, the ousted party leader, remain muffled.

What is clear, however, is that a new tone has emerged in U.S.-China ties after years of hostility and mistrust.

This visit ended the historical period of strategic conflict for Chinese-American relations since June 4, 1989, and realized the renormalization of

Chinese-American relations," said Wo Guoguang, a former aide to Mr. Zhao and now a professor at the Chinese University of Hong Kong. "You can call this event a milestone in this sense."

An example of the new tone was the state dinner, held in a sprawling banqueting room at the Great Hall of the People in Beijing, where Mr. Clinton, President Jiang Zemin of China and the entire membership of the all-powerful, seven-man standing committee of the Communist Party dined. It marked the first time the entire party leadership had turned out for dinner with a foreign head of state since the 1950s, when Soviet visitors were treated to the honor, said a spokesman for People's Daily, the party's newspaper.

"This indicates that the Chinese top leadership is in consensus on China-U.S. policy," said Chu Shulong, a top analyst at the Chinese Institute of Contemporary International Relations, an influential think tank associated with the Ministry of State Security.

Mr. Cho said it was "a big, bold

decision" to televise Mr. Clinton's speech and press conference live. The decision, made late in the day, involved the party's top leadership, he said, intimating that a substantial debate had occurred on the issues behind the walls of party headquarters. Mr. Cui said it showed the senior leadership "is not afraid of differences of opinion."

"The leadership knows that there are different ideas already within Chinese society," he explained. "We don't think it is dangerous to make them public. We don't think it will cause trouble here. We knew what Clinton would say. We were not afraid."

But while the tone has improved markedly since 1989 and again since 1995 and 1996, when the United States and China engaged in a tense confrontation over Taiwan, major hurdles still obstruct better ties.

Leadership also intruded the day Mr. Clinton reached China, when the authorities rounded up four political dissidents in Xian, his first stop. By the end of the trip, however, the incident had been forgotten. Seven dissidents detained during the

Albright, Stopping in Tokyo, Delivers a Hug and a Nudge

By Nicholas D. Kristoff
New York Times Service

TOKYO — Secretary of State Madeleine Albright dropped by over the weekend on her way back from China to give Japan a reassuring hug and emphasize that the United States values its ties with Tokyo as much as ever.

But Mrs. Albright, in addition to comments about the "unshakable friendship" between Japan and the United States, also prodded Prime Minister Ryutaro Hashimoto to take further steps to bolster the Japanese economy.

The mood in Japan is so doleful and insecure these days that many Japanese were hurt by President Bill Clinton's decision to spend nine days in China without even a brief visit to Japan.

So Mr. Clinton sent Mrs. Albright to Tokyo to brief Japanese officials on the China summit meeting, to reassure Japan of America's continuing affections and to poke Mr. Hashimoto to en-

sure that he fulfills his promise to tackle Japan's economic mess.

"The alliance between our two nations is the embodiment of an unshakable friendship," Mrs. Albright said at a news conference on Saturday afternoon. "It is the foundation for stability in the Asia-Pacific. It is the cornerstone of our strategic policy in Asia."

Foreign Minister Keizo Obuchi, standing beside Mrs. Albright, looked slightly mollified at those words, even if Mrs. Albright did omit the other cliché that used to be commonplace: that the U.S.-Japanese relationship "is the most important bilateral relationship in the world, bar none."

Japanese scholars have often noted that historically the United States has tilted either toward Japan or toward China but has had difficulty being friendly simultaneously with both. Thus some have speculated that Washington's efforts to build ties with Beijing will now come at the expense

of relations with Tokyo. In addition, Japanese officials who used to complain about "Japan bashing" now fret about "Japan passing" — a phrase referring to the lack of attention paid to Japan. The one thing worse than being insulted, it seems, to people in Tokyo, is being ignored.

The Yomiuri Shimbun, Japan's most widely read newspaper, noted in a recent editorial the concerns that the summit meeting "may lead to a weakening of U.S. relations with Japan because Mr. Clinton will not be coming here."

But it added archly that Washington-Beijing ties and Washington-Tokyo relations "can hardly be considered on the same level."

Mrs. Albright went out of her way to make a point that some Japanese officials also make, at least in their more self-confident moments: that "the improvement in U.S.-Chinese relations is very much in Japan's interest as well."

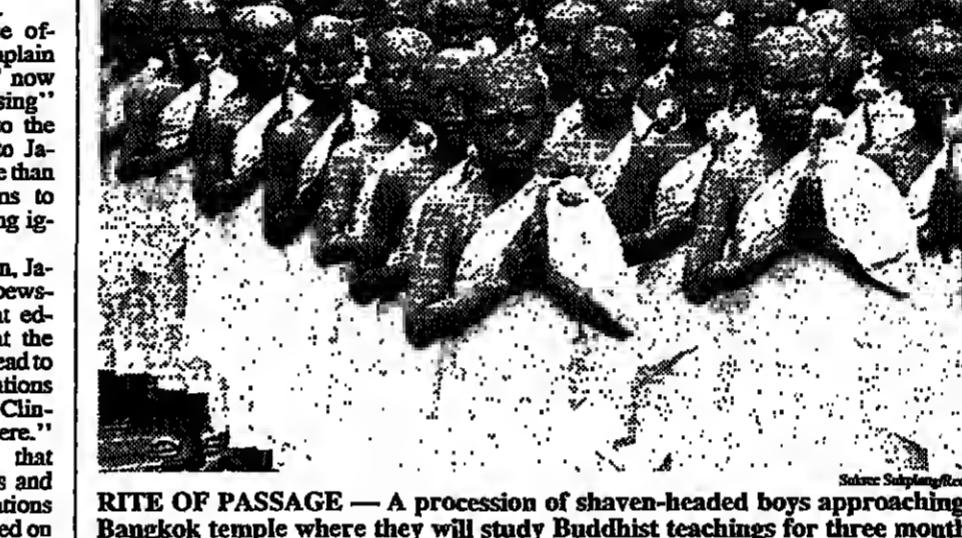
As another consolation, the United States had earlier invited Mr. Hashimoto to Washington for a state visit this month.

■ Taipei Assured As Well

A U.S. envoy assured a nervous Taiwan on Sunday that there had been no change in Washington's policy toward the island as a result of Mr. Clinton's visit to China, Reuters reported from Taipei.

"The United States' policy towards Taiwan in all its elements remains the same today as it was before the summit," said Richard Bush, managing director of the American Institute in Taiwan, Washington's unofficial diplomatic outpost in the democratic island.

Mr. Bush, who is based in Washington, was sent to brief Taiwan officials, including President Lee Teng-hui.



RITE OF PASSAGE — A procession of shaved-headed boys approaching a Bangkok temple where they will study Buddhist teachings for three months.

South Korea Regrets Expulsion in Moscow

SEOUL — South Korea expressed regret Sunday over Russia's decision to expel a Korean diplomat for spying.

The Russian deputy foreign minister, Iuri Ushakov, said Saturday that a South Korean diplomat, Cho Sung Woo, had been declared persona non grata after he was arrested while meeting with an official of the Russian Foreign Ministry. The Russian was charged with treason.

The South Korean Foreign Ministry said it might respond to the Russian action with a retaliatory expulsion.

(Reuters)

Hindu Pilgrims Trek Through Muslim State

JAMMU, India — Singing and chanting hymns, Hindu devotees began an annual pilgrimage on Sunday to a sacred cave shrine in India's troubled Jammu and Kashmir state.

Under tight security, more than 800 pilgrims left the winter capital, Jammu, on a five-day, 330-kilometer (220-mile) journey through the predominantly Muslim Kashmir valley, where dozens of guerrilla groups have been waging a separatist revolt since 1990.

(Reuters)

For the Record

Burma's ruling military said on Sunday that it had stepped up surveillance of the opposition National League for Democracy to prevent the party from disrupting the reopening of universities, which have been closed since demonstrations in 1996.

(Reuters)

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EUROPE

German Far Right Captures a Mood That Begins to Affect Other Parties

By William Drozdik

Washington Post Service

MUNICH — When the far-right German People's Union came out of nowhere to capture nearly 13 percent of the vote in Saxony-Anhalt state elections two months ago, the governing Christian Social Union here in Bavaria, Germany's largest state, did not waste any time in covering its flank.

Even though Bavaria boasts one of Germany's lowest crime rates, the Christian Social Union, the sister party of Chancellor Helmut Kohl's Christian Democrats, launched a "security initiative" that will seek to expel all foreigners guilty of serious crimes. It also stepped up searches for illegal immigrants and spent \$50 million to equip its 30,000 police officers with laptop computers linked to mobile telephones.

State Premier Edmund Stoiber began escalating his attacks against the 15-nation European Union, saying Ger-

many would no longer tolerate being the "milk cow" that nourished its neighbors. "We are paying more into the EU budget than all of the other members combined. That is neither fair nor acceptable any more to the German people," he said to loud applause at a party congress.

Less than three months before national elections, the Christian Social Union's sharp turn to the right has been endorsed by Mr. Kohl and other Christian Democrats as they struggle to make up lost ground in a bitter campaign. The opposition Social Democrats enjoy a six- to eight-point lead in the polls and hope to terminate Mr. Kohl's 16-year reign by replacing him with Gerhard Schroeder, their telegenic centrist candidate.

The tactical shift may also illustrate an important change in the national mood. For years, Germany maintained an open door for refugees and an open wallet for its EU partners. It plays host

to 7 million foreigners — more than any other European country — and contributes nearly 70 percent of the EU budget.

But many Germans appear to believe they can no longer afford such generosity. Confronted by record high unemployment of close to 5 million, they are clamoring for a higher priority to be placed on national interests. And the sharp rise in protest votes for the extreme right reflects dismay, especially among eastern voters, that the mainstream parties have neglected them.

"We have touched a nerve in the population," said Gerhard Frey, the millionaire publisher who heads the far-right German People's Union. "In France, Italy, Denmark, everywhere the right wing is entering politics and shifting the mainstream body politic to the right. Those who grieve our success in Saxony-Anhalt must realize that our demands to protect German jobs have received huge support."

Indeed, the growing strength of the far right across Europe is prodding governments to adopt tougher policies toward foreigners and more skeptical attitudes toward Continental unity. In France, Austria and now Germany, there is heated debate whether the mainstream parties, by moving to the right on Europe, immigration and other issues, will legitimize xenophobic and nationalist sentiments or help minimize the influence of extremist parties by co-opting their ground.

"The success of the extremists is based on being the anti-party," said Ralf Dahrendorf, one of Germany's most renowned sociologists. "The problem is many citizens are convinced that the major parties strive to avoid problems rather than solve them. Young people, especially, now see them as weak, even irrelevant organizations."

For many years, the extreme right in Germany exerted little political influence. With its votes splintered among

three parties — the German People's Union, the Republicans, and the National Democratic Party — the far right has never managed to cross the 5 percent threshold required to hold seats in the national Parliament.

Germany's Office for the Protection of the Constitution, which monitors extremist movements, concluded in its latest report that the far right still remains badly divided in the absence of a charismatic figure who can unite it. But it also warned that the support base for right-wing extremism in Germany has grown dramatically in recent years.

What is clear is that frustration with protracted joblessness, especially among young people, is spawning a generation of angry and alienated voters susceptible to the scapegoating by extremist parties. Their message is simple: Foreigners are stealing jobs from Germans, bilking the nation's generous social welfare system and spreading crime.

In addition, the far right has seized on anxieties about the revolution in global markets that many Germans fear will deprive them of lifetime jobs with long vacations, short working hours and cradle-to-grave social protections. They also worry that replacing the Deutsche mark with a single European currency will further undermine their living standards by siphoning capital toward cheaper-wage areas in Europe.

"The old far right drew support from active heirs of the Nazis, many of them older and from the middle class," said Hans-Gerd Jaschke, a political scientist in Berlin who has conducted extensive research among Germany's far-right voters.

"Today, the supporters are mainly young men who are afraid of losing their jobs."

Mr. Frey claims that "voting right-wing for young people in Germany today is now part of their culture, like techno music and rollerblading."

BRIEFLY

Swiss Leader Asks U.S. to Bar Boycotts

key's secular status, was to uphold constitutional order, "against all dangers." (AFP)

NATO Air Exercises Held Over Slovakia

SLIAC, Slovakia — Servicemen from eight NATO countries and 12 members of the alliance's Partnership for Peace program kicked off air exercises Sunday over Slovakia.

The maneuvers will simulate humanitarian and peacekeeping operations. The exercises will continue until Friday. (AFP)

Power Plant Dispute

VIENNA — Slovakia's move to bring on stream a controversial nuclear power station was criticized Sunday by Austria's consumer protection minister and by the environmental pressure group Greenpeace.

Greenpeace called on Austria to break off talks with Slovakia. (AFP)

For the Record

Russian coal miners kept up pressure Sunday on the embattled government by blocking the Trans-Siberian railway for a third day to protest economic conditions. (Reuters)

Germany Copes With a Wave of Clumsy Extortion

By Edmund L. Andrews

New York Times Service

FRANKFURT — The extortionists wanted his demand taken seriously, but apparently did not want to hurt anyone.

So when he slipped jars of marmalade laced with rat poison into supermarkets in Luebeck earlier this year, he attached labels that read: "CAUTION: POISON."

Last month, prosecutors in Luebeck charged a 48-year-old architect with trying to extort \$600,000 from the marmalade maker, Schwartauer Werke.

Extortion attempts have engulfed Germany in one of the oddest crime waves that Europe has seen in years. The police es-

timate that there have been 120 cases in the last year, with two or three new ones every week. German subsidiaries of Nestle SA are receiving about a dozen threats a year.

Supermarket chains, food producers and cosmetic companies have all been targets.

"I am sorry to say that Germany is the world leader in this type of crime," said Klaus Ruhne, a partner at Control Risks International, an industrial security firm.

German consumer-products companies are starting to use tamper-resistant packaging, but many products remain exposed.

The crime wave seems to be dominated by nervous amateurs rather than hardened felons. About two-thirds of

the extortion attempts stop after the first threatening letter. Extortionists who have tried to ratchet up the pressure by placing poisoned products in supermarkets have sometimes told companies where to look for them.

Few of the suspects arrested in the last year have had criminal backgrounds. Police officials described several as bankrupt business people and one as a law student.

"These are people who aren't comfortable with causing physical harm," said Juergen Schmidt, the head of criminal investigations in Gifhorn, a small city in Lower Saxony, who has dealt with three cases in the last six months. "With ex-

tortion, you don't have to threaten the people personally. It's a form of criminality that doesn't require a professional."

Because a handful of poisonings could be enough to cause panic and cost a company millions of dollars in lost sales, individuals with few resources have the power to pose a threat. But most of the schemes collapse when it comes to collecting money.

"Anybody can write a letter or make a phone call," said Isabell Hoeller, a spokeswoman for Maggi GmbH, a subsidiary of Nestle that makes packaged soups and other products. "But the police tell us that if it comes to a transfer of money, they can catch them every time."

Czech Arch-Rivals Meet on Forming a Coalition

By Peter S. Green

International Herald Tribune

PRAGUE — Two weeks after the Czech electorate split its vote between left and right, talks have begun on a tacit coalition that would see a minority government of Milos Zeman's leftist Social Democrats govern with the support of their arch-rivals, the rightist Civic Democratic Party of former Prime Minister Vaclav Klaus.

Such a government would do little to reform the stagnant economy and pre-

pare the country for membership in the European Union and NATO, analysts say. Instead, Mr. Zeman said Friday, one of its chief aims would be to change the country's electoral system, replacing proportional representation with a first-past-the-post system to sweep away smaller parties, and bold new elections.

But analysts also warn that the left-right accord may, in fact, be little more than a tactical move by Mr. Zeman to pressure two recalcitrant centrist parties to join him in a majority government. President Vaclav Havel vehemently

opposes a Klaus-Zeman deal, and is still trying to convince the reformist Freedom Union to reconsider joining a government that would include Social Democrats and the centrist Christian Democrats. Mr. Zeman is to report to Mr. Havel on Thursday on his progress.

A Klaus-Zeman agreement would do little to solve the country's pressing economic and political problems, said Jiri Pehe, Mr. Havel's political adviser. Because its sole aim would be to secure power for the two largest parties.

"It wouldn't be good for this country," Mr. Pehe said. "It won't be able to move things ahead. It will just sweep them under the carpet." Its first casualty, he said, would be any clean-up of the rampant corruption that helped bring down Mr. Klaus last November.

After five years as prime minister, Mr. Klaus resigned when the Christian Democrats and senior members of his own party left the government over charges that the Civic Democratic Party had taken payments for favors in the post-Communist privatization process.

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INTERNATIONAL

For Childless Couples, Strict Taboos

With Japan Forbidding Donor Eggs, Culture Limits Other Options

By Mary Jordan
and Kevin Sullivan
Washington Post Service

TOKYO — The young couple wanted a child, but the woman could not get pregnant. So her doctor took eggs from her sister, fertilized them with her husband's sperm and implanted them in her womb.

Nine months later, she gave birth to twin boys. And for performing that successful in vitro fertilization, the doctor was expelled by Japan's leading obstetric society June 27. Some doctors also want his license revoked.

Although Japan is in the midst of an alarming decline in its birthrate and fertility problems are rising, many people are reluctant to use the medically assisted reproductive techniques done every day in the United States and other advanced nations.

A Japanese gynecologist, Yoshiaki Sawada, a doctor who runs a busy fertility clinic in Tokyo.

"I am ashamed and angry that the Japanese government shuts their eyes to this issue," Dr. Sawada said. Many couples must go to the United States for these relatively common procedures, he added.

Only last year did Japanese medical regulations begin to allow a third party to donate sperm, but regulations still forbid the use of donor eggs. Many doctors and patients here say that standard is hypocritical.

Dr. Sawada is the first doctor in Japan to admit he helped a couple give birth using donor eggs, and he has touched off a national debate that at its core is over Japan's ambivalence about using the latest technology on ancient matters of life and death.

Japan began to allow a limited number of organ transplants only last year, and it is the only major country that still outlaws the birth-control pill.

About 15 percent of couples in Japan have fertility problems — about the same as in the United States.

Perhaps the most famous couple in the country, Crown Prince Naruhito and Crown Princess Masako, who celebrated their fifth anniversary last month, have yet to produce an heir to the world's longest royal dynasty.

Their apparent difficulties are much discussed and have helped focus attention on a problem that some people still believe is too private and taboo to discuss publicly.

Some of the reluctance to use a donor

egg or sperm is concern that the baby would not be seen as the couple's own flesh and blood and would be discriminated against, even shunned, as he or she grew up.

"It's a matter of chance for people to bear babies, and it can be counterproductive to get caught up in artificial methods" with a low success rate, said Yoshiaki Sawada, a doctor who runs a busy fertility clinic in Tokyo.

Dr. Sawada often sees 70 women a day, and he rarely recommends in-vitro fertilization or artificial insemination. He says that a focus on the woman's overall health, even proper posture, are the most desirable methods for helping her conceive.

"There will probably come a time when surrogate mothers or donor eggs are permitted," Dr. Sawada said. But he said children born by such means would be "semi-orphans" who might have trouble being accepted in Japanese society. There would be a feeling, he said, that "the child does not belong."

That sense that the baby would be marked as different, even a freak, is a real fear. The identity of the couple that Dr. Sawada helped has been kept secret for just those reasons.

"Maybe it is wrong to try that hard," said an office worker, Sumiko Yamazaki, 24. "Maybe it's better not to have a child." Her co-worker, Kiyoe Okamoto, 22, said she has an inherent distrust of using donor eggs or sperm.

"I am scared of being given the wrong sperm," she said. "If I was 100 percent sure it was my husband's sperm, I might do it, but I would keep it secret from others."

The two young women spoke as they

ate lunch at the 180-year-old Saitengu Shrine in Tokyo, where people come to pray for solutions to their fertility problems. The chief priest, Shigeru Ueda, said that 15 years ago, hardly anyone came to pray to be able to conceive a child. But the numbers have shot up, and more than 1,700 couples visited on a recent day.

In interviews with a dozen women at the shrine, nearly all said they felt prayer was preferable to doing anything "artificial" to promote childbirth.

A 35-year-old who asked not to be identified said she had been trying to have a baby for 10 years. But she said she would rather not try any form of assisted reproductive technology.

"I don't want to do that. I want one naturally," she said. If a donor egg or donor sperm was involved, she said, she would not feel that the child was her own. She said her aim was to simply to have a child to raise: "I want to have my own child."

Many Japanese, especially members of younger generations, are less inhibited by traditional cultural taboos. In just five years, the number of couples who try in vitro fertilization using their own sperm and egg has doubled, and more than 7,000 babies were born using that method in 1996.

Many others who need donor eggs or surrogate mothers have become the best customers of California fertility clinics.

Despite growing public demand, there is great concern in the medical profession and the public that if Japan expands its fertility treatments, it will become like the United States, where, as the chief priest Sawada said, "even a single lady can go to a sperm bank."



PRAYER BREAK — Two girls in Jakarta peering through a fence as 100,000 Muslims offered prayer for Indonesia's economy Sunday.

Heads of U.S. Philanthropies Enjoy a Salary Surge

By Judith Havemann
Washington Post Service

WASHINGTON — The heads of the largest U.S. philanthropic foundations received salary increases last year, five times the rate of inflation, putting the average at \$363,000 a year, according to Internal Revenue Service records.

The figure puts the chief executives of these influential national charities in the highest 1 percent of salaried people in the United States.

Six years ago, a scandal in the United Way drew public attention to the salary issue across the United States.

But the national controversy that erupted over William Aramoy's

\$463,000 annual compensation package as chief executive officer of United Way seems to have had little direct impact on how much the charitable world pays itself.

Thomas Lofton, who heads the \$12.7 billion Lilly Endowment, is paid \$450,000 plus \$163,648 in benefits for overseeing the largest U.S. foundation, which concentrates mostly on charitable works and civic philanthropy in Indiana.

The Ford Foundation president, Susan Berresford, makes \$440,500 plus \$169,705 in benefits. With offices around the globe, the foundation she heads devotes the largest share of its grants to peace and social justice.

Foundations are among the elite institutions of the relatively little understood philanthropic community. As the government began to back away from the social initiatives of President Lyndon Johnson's Great Society program, the foundations have moved further into the forefront of policy development.

They have \$268 billion in assets, according to the latest statistics. In return for being sheltered from most taxes, the foundations are required to devote 5 percent of their average assets each year to charitable purposes, such as improving medical care for the aged or reducing poverty.

To be sure, the paychecks of non-profit executives vary widely. Directors

of soup kitchens or homeless shelters often are paid salaries on a par with the \$26,000 a year earned by the typical American worker.

While the salaries of top foundation executives exceed those of other non-profit heads, the practices of these large charitable agencies are important far beyond their own bottom line.

They establish the "gold standard" for executive compensation that smaller charities envy and emulate. Their system of evaluating performance is closely watched and, eventually, the top salaries raise the bar for everyone.

Foundation executives say that, relative to private corporations, their salaries are hardly excessive.

Euro-Rule Draws Ire Of French Hunters

By Craig R. Whitney
New York Times Service

PARIS — Bashing those meddling European bureaucrats in Brussels, long a favorite pastime in Britain, is now in season in France, where President Jacques Chirac has signed into law a measure defying a Europe-wide regulation that bans the hunting of migratory birds during the nesting period.

Unlike Margaret Thatcher when she prime minister of Britain, Mr. Chirac took little apparent pleasure in defying Brussels.

"The president would like the government and the European Commission to work together to find a solution to this affair," his office said after announcing that Mr. Chirac had signed the bill.

Passed by the French Parliament last month over only cursory resistance by the Socialist-led government, the law allows hunters to fire away at waterfowl up to a month beyond the end of the season, which is Jan. 31. This had been the European standard from 1979 until the new directive from Brussels.

The directive, adopted unanimously, was intended to protect birds during the reproductive cycle. International lawyers say European law supersedes any national legislation that contradicts it, supposedly binding all 15 member states of the European Union.

France is usually a pillar of that union, except occasionally when disgruntled farmers and other rural denizens rise up against regulations that tell them how much grain they can grow and how big tomatoes and cucumbers should be.

The French heartland had become increasingly insistent about the hunting rules. Earlier this year, 800,000 French hunters signed a petition to the European Parliament, asking for a modification. A million petitioners from other countries joined in the protest. Alessandro Fontana, a member of the European Parliament's commission on petitions, told the daily *Le Figaro* last month that the directive might be changed next fall if French hunters would just be patient and go through European channels.

France has two months to settle the conflict with the European Commission out of court.



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INTERNATIONAL

U.S. Mission Is Awaited With Hope In Nigeria

Reuters

ABUJA, Nigeria — A high-level U.S. mission will arrive in Nigeria on Monday amid expectation that the opposition politician Moshood Abiola will soon be released from prison.

U.S. Embassy officials said that Undersecretary of State Thomas Pickering would arrive in Abuja, the Nigerian capital, late Monday and meet with the new military ruler, General Abdulsalami Abubakar, on Tuesday.

Mr. Pickering's mission, similar to one rejected by the former leader, General Sani Abacha before his death on June 8, is to encourage respect for human rights and discuss ways of putting Africa's most populous nation on a course to democracy.

It is the latest sign of Nigeria's rapid reintegration with the world community.

The visit of the U.S. delegation should be seen in the context of Abubakar's determination to end Nigeria's isolation, "a senior Foreign Ministry official said Sunday.

Mr. Abubakar has promised to free all political prisoners and initiated talks with domestic groups on a program to restore the oil-producing country of 104 million people to civilian rule. The steps have won him praise in Nigeria and abroad.

But a key factor in the reform process is freedom for Chief Abiola, who ran for the presidency in 1993 in elections that he is widely believed to have won. He was jailed the next year for declaring himself president on the basis of the elections, which were annulled.

The UN secretary-general, Koifman, met with Chief Abiola during a four-day visit to Nigeria last week. At the end of the visit Thursday, he said Chief Abiola had remarked that he was not so naive as to expect that he would be made president if he was released.

But supporters of Chief Abiola's in his southwestern home region, who want him to head a national unity government to oversee transition to civil rule, have refused to accept the implied renunciation of his claim to the presidency.

The mainly government-owned Sunday Times reported that the government had delayed Chief Abiola's release, which the newspaper said had been planned for last week.

"Abiola's release will ultimately depend on assurances that his actions after freedom will be conducive to the government's program of returning the country to democratic rule," the paper said.

ULSTER: Marchers Turn Back

Continued from Page 1

forces about 450 meters away.

Two men, informally dressed, not wearing Orange Order regalia, were arrested by the police after they made a brief attempt to cross the barbed wire. Several tents were put up by people who said they intended to stay all night.

By evening, there were no reports of violence in Portadown or elsewhere in the province.

The leader of the Catholics in Drumcree, Brendan MacCannal, urged Catholics to be wary of Protestants trying to sneak through the British lines to demonstrate.

His warning seemed a tactic to keep the issue alive politically, as the area is ringed with troops, policemen, armored Land-Rovers and Saxon military troop carriers.

Perhaps 200 of the marchers remained quietly on the side of a hill between the Church of Ireland church at Drumcree, where they had attended an annual service.

The Orangemen, and a few women, looked across a small stream, its banks scooped deeper by British diggers, at several rows of 1.2-meter-high barbed-wire coils and armed security forces. Many said it looked like a World War II battlefield, in the movies.

The all-male Protestant Orange Order says that marching is a matter of freedom of assembly, a basic democratic right. Last year, the Northern Ireland secretary, Mo Mowlam, agreed and allowed the march after the police forcibly removed protesting Catholics from the road.

But this year, approving the ban, she said that the rights of the Protestants and Catholics had to be balanced.

There are 3,000 Protestant parades held each summer to celebrate the victory at the Battle of the Boyne in 1690 of the Protestant William of Orange over his father-in-law, King James II. The victory established the Protestant Ascendancy and reinforced British rule in Ireland.

Catholics feel that the marches, only a handful of which are contentious, are offensive and triumphalist, as the Orange men strut stiffly by to the martial music of loud drums. Sunday, only one group, the Edgarmont Drum and Accordion Band, marched up to the road-block, thumping and wheezing its martial air through the fence.

Most of Sunday's marchers, particularly the younger men, did not wear the traditional black bowler hat, which costs about \$100. Some were barbecued in skin-head style and wore small rings in their ears. There was no noticeable drinking of alcohol.

Most of the marchers milled around, chatting, even smiling, looking at the gray sky threatening rain, watching a single police helicopter hovering.



Immigrants buying fresh produce from a vendor at an open market in the southern part of Amsterdam.

DUTCH: The Netherlands Wrestles With Becoming Melting Pot

Continued from Page 1

and brown immigrant stars.

According to official figures, of the 15.5 million inhabitants of the Netherlands, 1.7 million are first- or second-generation immigrants. The largest groups in addition to the Surinamese are Turks (at least 260,000) and Moroccans (more than 220,000). All the major immigrant groups are concentrated in urban areas — one study estimates that in the port city of Rotterdam, for example, ethnic minorities make up almost one-fourth of the population — giving big Dutch cities a much more cosmopolitan air than just a couple of decades ago.

The major wave of Surinamese immigrants came here in the years just before and just after Suriname, which the Dutch had obtained from the British in 1667 in a swap for Manhattan island, was granted its independence in 1975. Virtually all Dutch citizens, and only a few have left the Netherlands to go home.

As former colonial subjects, the Surinamese grew up speaking Dutch and were taught Dutch history in schools back home. These cultural factors should perhaps be expected to ease their transition into Dutch society, and indeed socioeconomic indicators bear this out: In income, employment and general prospects, the Surinamese rank well ahead of the Turks and the Moroccans.

But they rank well behind the native-born Dutch. "Our situation is certainly not hopeless, but it's certainly not as good as it could be," said John Khodabux, an official with an advocacy group for Surinamese immigrants called SSA. "We have Surinamese doctors, lawyers, judges, but at the same time we have a lot of problems," he said. "We have a kind of middle position."

Still, many Surinamese say they believe they have carved out a permanent place in Dutch society. Along the way, they say, they have had to adapt — but they say they believe they also have altered the society permanently.

"When I came over here, Holland was a very gray country," Mr. Khodabux said. "I think we've made it colorful in a lot of ways."

The Surinamese immigrants in the Netherlands are themselves a mulatto-ethnic mix, as full of diverse ingredients as the gumbo-like soup served each Thursday afternoon at the center where Mr. Murzins works. Many are descended from African slaves, many others from immigrant merchants and workers who came to Suriname from India, Pakistan, China or the former Dutch islands that now constitute Indonesia.

What they have in common is that none looks like the stereotypical blond, big-boned Dutch.

In an average middle-class neighborhood called Bos en Lommer, on Amsterdam's west side, Muslim women in head scarves wheel baby carriages on the street while men chat in Turkish and Arabic and children of Surinamese heritage nap into a corner takeout after school. A lane between two huge apartment blocks is named Akbarstraat — Akbar Street. Travel agencies tout low-cost package deals to Istanbul, Rabat and the Surinamese capital, Paramaribo.

Nationwide, about one-sixth of the children in Dutch schools are from immigrant groups. In Bos en Lommer and similar neighborhoods, with heavy concentrations of newcomers, the percentage of immigrant children goes to

one-third or even higher.

The Netherlands prides itself on being an open, tolerant society, duty-bound to offer generosity — in the form of ample welfare benefits — to those in need. These traditions run deep, and most Dutch say they welcome the newcomers. Dutch politicians who try to play the xenophobia card, as Jean-Marie Le Pen has done so successfully in France, have had little success.

"Black people are a part of this society now," said Henk Schrijver, a community worker who lives in Somborg. "You have to work with black people now. You see them on television, meet them in shops, on the streets. This used to be a society almost like Denmark or Sweden, full of blond people and nothing else. But the society has changed."

Yet it is not at all hard to find Dutch

This used to be a society almost like Denmark or Sweden, full of blond people and nothing else. But the society has changed.

we believe this openness and this largess have gone much too far."

"This is not my country anymore," said Elisabeth Kuiper, a retiree who was out buying flowers with her husband, Hendrik, one recent morning in Bos en Lommer.

"More and more and more of these people are coming. There are more black than white now in the schools," she said, using "black" to mean virtually all who are not ethnically Dutch. "I say they should stop it. They are hard too much. But they keep coming."

A talk with the Kuipers in their tidy, antique-filled apartment offers a glimpse of how racial stereotypes begin to form and take hold. First, they volunteer that the immigrants they know personally — the Surinamese man who lives upstairs, the refugees from the former Yugoslavia who lives next door — are "beautiful people," in Mrs. Kuiper's words. But the others, the ones they see on the streets, the ones they do not know, especially the Moroccans and the Turks — those immigrants, to the Kuipers, are baffling and more than a little frightening.

"The crime is so bad, we doo' go on the streets at night," Mr. Kuiper said.

"I don't understand them. I have three children, but they have 10 or more," Mrs. Kuiper said. "My grandchildren go to bed at 7 o'clock, but I see their children out on the street at 11 o'clock. How do they go to school in the morning if they're up that late?"

"People come here and throw away their papers and say, 'My name is Mohammed, I want asylum,'" Mr. Kuiper said. "And they let them stay. They just collect the benefits."

Notwithstanding such sentiments, Surinamese immigrants said overt discrimination and racial slights are rare.

"If I'm in a bus or in a train or wherever, I feel very comfortable," said Henry Winter, who came here from Suriname in 1973 to study sociology at the University of Leiden. "That doesn't mean there isn't a certain image attached to ethnic groups in Holland. But society here just isn't that uncomfortable."

Mr. Winter became active in an

organization that is built on the concept of society being organized in "pillars." Catholics, nonbelievers and several varieties of Protestants coexist by organizing their own schools, neighborhoods, even businesses: they cooperated on matters affecting the common good, but seldom mixed until recent decades.

The pillars have largely broken down, but much of their spirit remains. Native-born Dutch understand the system instinctively, but many immigrants do not.

NEXT: Rise of an anti-immigration political movement in Australia

JAPAN: In the Hinterlands, Where Pork Is King, the Voters Want Not Change but More of the Same Policies

Continued from Page 1

serving in Parliament, Yuji Yamamoto, drew vigorous applause when he denounced the deregulation of retailing and finance. Most of the world has regarded Japan's financial liberalization this year as long overdue, but Mr. Yamamoto said it has been a capital flight from Japan to the United States.

"Stock prices have fallen, the yen has fallen and the dollar has risen!" Mr. Yamamoto bellowed as the crowd nodded. "We are not living to serve the Americans."

So while Japan is suffering its worst recession in the postwar era, unemployment is at a record 4.5 percent and foreign analysts are warning that the country could set off a worldwide depression, the issue in the electoral districts is which candidate can best divert national funds to build more local dams.

"These dams, these little roads and bridges are very important for the rural

areas," said Mr. Morishita, 56, as he loosened his tie and sat on the floor of the auditorium for a chat after the audience had drifted out. "They help everybody in rural areas make a living. It's the only way for these areas to get a cash income."

A genial man with a radiant smile, Mr. Morishita said that in half of the 53 towns in Kochi Prefecture, the biggest industry is construction. "People criticize pork barrel, but Kochi is remote and doesn't have much industry," he noted. "So for voters in these areas, this is better than nothing."

U.S. officials often complain that Japan's political system is dysfunctional, unable to cope with the economic crisis. But the paralysis in Tokyo may have less to do with the system than with the public mood it reflects, for the excellent prospects of the Liberal Democrats in the current campaign suggest that many Japanese do not want the fundamental restructuring favored by the United States.

"Japanese voters basically don't want

FLORIDA: Wildfires Spoil the Holiday

Continued from Page 1

contrast between a normal July 4 weekend and this weekend was painful. "We'll do 20 percent of our normal gross, if we're lucky," Mr. Nichols said about the beach-buggy trade.

It was a minor point in the midst of such a disaster, but this also was destined to be remembered here as the Fourth without fireworks. Every town and community in central and northeastern Florida, including Disney World, canceled fireworks displays. And local authorities promised rigorous enforcement of the statewide ban on private fireworks.

"This is different, all right," said the assistant manager, Randy Woods, who, as a native of Daytona Beach, usually braces himself for the holiday onslaught of tens of thousands of racing fans and beach lovers. "A lot of people canceled when they canceled the race. It's down-right calm."

What did give the weekend a more upbeat tone, despite the tourist slump, was news that firefighters seemed to be gaining ground and that few new fires broke out.

[A] change in the winds and rising humidity helped about 5,000 firefighters beat back the wildfires Sunday, while an approaching Caribbean storm raised hopes that they could be extinguished by midweek, Reuters reported from Daytona Beach.]

The firestorm that officials feared would ravage Flagler County to the north — it, as it appeared late last week, four major fires converged — was also

But some facts remained discouraging: Since June 1, at least 200 homes and businesses have been destroyed by the fires, propelled by the driest May and June in the state's history, and nearly half a million acres (200,000 hectares) have been torched. In contrast, wildfires consumed 146,000 acres in the state in all of 1997.

The fighting forces have been growing daily. Fifteen hundred National Guard personnel have been called up to assist the 4,500 firefighters from 42 states and seven federal agencies. Two-thirds of the water-bearing helicopters in the southeastern United States are at work here. Already, the wildfires have cost more than \$100 million to fight, and that is only the beginning.

Officials in this tourism-dependent state have not yet calculated how many people canceled vacation plans — July usually sees 4 million visitors in Florida — but it was obvious the fires also meant devastating losses in revenue. Disney World, more than 40 miles (60 kilometers) to the west, seemed untouched. But in Daytona Beach and at nearby Ormond and Flagler beaches, the

For British Lease: The Royal Train

Agence France-Presse

LONDON — Buckingham Palace, in the midst of an economy drive, announced Sunday that the royal train would now be available for charter to "appropriate" groups.

After a recent report showed that maintenance of the infrequently used train cost the crown £1.15 million (\$1.9 million) a year, the palace decided to try to cover some of the outlay with income.

The train contains apartments for Queen Elizabeth, a dining room and a car for staff members.

For groups wanting to use the train, each case "will be treated on its own merits," a spokeswoman said.

ASIA: Risky Economic Shift Gains Favor

Continued from Page 1

that the government could spend about 10 trillion won (\$7.35 billion) on pumping up this year.

As a result, South Korea's 1998 budget deficit will rise to 4 percent of gross domestic product from the previous 1.7 percent target.

The government "expects the expansion in spending could help economic growth to recover a bit after the third quarter of this year," the ministry announced said.

It added that the increased spending would mainly go to support smaller companies, trade financing, the housing industry, infrastructure projects and unemployment benefits.

The announcement came as South Korean media reported that the country's gross domestic product in 1998 is expected to be revised downward to a contraction of 4 percent when the IMF begins a quarterly review of the economy later this month.

An earlier IMF review projected a drop of 1 percent.

South Korea, Thailand and Indonesia are getting international loans worth up to \$10 billion and organized by the IMF in exchange for painful economic reforms.

In the case of South Korea and Thailand, the measures have helped to stabilize their currencies, allowing monetary authorities in both countries to answer the pleas of local business for lower interest rates to help prevent more company closures and layoffs.

"There is room for further cautious reductions in interest rates and some higher monetary growth rates," the IMF and the Thai government said in a joint statement last month.

"We believe that monetary policies will have to be relaxed," said Karm Karuhade, an economist in the Bangkok office of Dresdner Kleinwort Benson, a unit of Germany's Dresdner financial services group. "We would then see the money supply increase, an improved liquidity situation and lower interest rates."

But on the downside, he added, "a

depreciation in the currency would have to be accepted." At its present level of about 42 to the dollar, the Thai baht has lost about 40 percent of its value since the beginning of the year.

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INTERNATIONAL

World AIDS Conference Ends Pessimistically, With No Cure in SightBy Lawrence K. Altman
New York Times Service

GENEVA — The 12th World AIDS Conference ended in a somber mood.

A series of reports about new problems with anti-AIDS drugs and setbacks in vaccine trials left many participants thinking that their best hope against the epidemic is the strategy they have had since it began: prevention.

But many of them said this last hope was not being pursued as aggressively as it should be.

The mood was a sharp contrast to the euphoria at the last AIDS meeting in Vancouver, British Columbia, two years ago. There, scientists reported that combinations of new drugs, called protease inhibitors, had allowed many people infected with HIV, the AIDS virus, to leave their bedsheets, even to return to work.

But this year, the talk was of problems. Vaccine researchers gave the disheartening news that a promising candidate vaccine, tested in monkeys, caused the disease rather than prevented it. Doctors told of patients who failed in spite of the new drugs, or who developed side effects while taking them.

And even when the drugs offered hope, still other speakers said, it is hope beyond the reach of the vast majority of the 34 million people now

infected with the AIDS virus. Those patients cannot afford the treatment. It can cost about \$15,000 to provide the drugs to one person a year, a sum greater than the entire health budget of many a Third World village.

As Dr. Hosen Coovadia of Durban, South Africa, explained it, AIDS affects 40 percent of the children he treats in a large black hospital there. Yet, Dr. Coovadia, chairman of the next World AIDS Conference in 2000 in Durban, said that he had never used any anti-HIV drugs. His hospital cannot afford them, he said.

Reports like these lead inexorably to the conclusion that the best hope for easing the epidemic is still prevention, speakers said. Yet "over 100 times more money is being spent on therapeutics now than on the development of prevention technologies," said Dr. Catherine Hankins, an epidemiologist at Montreal General Hospital in Canada.

Among them are chemicals that could be inserted into the vagina before sexual intercourse to kill HIV. Dr. Hankins left the meeting saying she did not feel "terribly optimistic."

Sex education, needle-exchange programs, condom distribution, among other preventions, could save millions of people from AIDS, speakers after speaker told those gathered at the meeting, which ended Friday. At the same time,

though, many of the 13,775 participants from 177 countries concluded that people and their government leaders were not paying enough attention to those relatively simple steps, and that industry was doing too little to develop more effective prevention methods.

Speakers urged that health workers combine preventions as they had drugs and adopt a community-based approach to promote them. They called for more programs to treat sexually transmitted diseases because those diseases can increase the risk of spreading HIV, in part by creating open sores.

Programs to promote sex education, male and female condoms, and needle exchanges worked well and did not promote promiscuity or drug use, a number of health workers said. Yet, they added, government and community leaders often become near hysterical when such programs are broached, often because they fear criticism from the clergy or political opponents.

In the United States, there has been widespread opposition to condom-distribution programs, and the Clinton administration announced recently that it would not support needle-exchange programs.

"We know what prevention works, but we don't do enough of it," said Dr. Werasit Sittitrai

of Thailand. He cited several effective measures, including counseling about sexual health, education for peers who had been trained to advise in prevention, and access to friendly and confidential clinics that treat sexually transmitted diseases.

But older people often stand in the way because they forget what it was like to be young, Dr. Sittitrai said. "We forget the fear, the laughter, the craziness, the boredom, and all those bubbling, boiling hormones," he said, and "how much sex occupied our thoughts."

Speakers called on conference participants to return to their homes and rally others to become more involved in the political process to promote HIV-prevention efforts.

The meeting's theme was "bridging the gap" between what is available to HIV-infected people in developed and developing countries, where, said Dr. Peter Piot, executive director of the United Nations AIDS program, the virus is causing "a runaway epidemic."

The enormous complexity of dealing with a raging epidemic in a poor country was underscored by a report from Dr. Alan Smith, a virologist at the University of Natal in South Africa, who discussed blood tests for the virus.

The standard HIV test detects proteins known as antibodies that are usually formed about six

weeks after the virus enters the body. A more precise test, which detects a portion of the AIDS virus known as P24, appears to be far better, but most developing countries cannot afford it, said Dr. Smith, who studied the problem in a prenatal clinic. Accurate testing during pregnancy is particularly crucial to enable doctors to try to prevent transmission of the virus from mother to child.

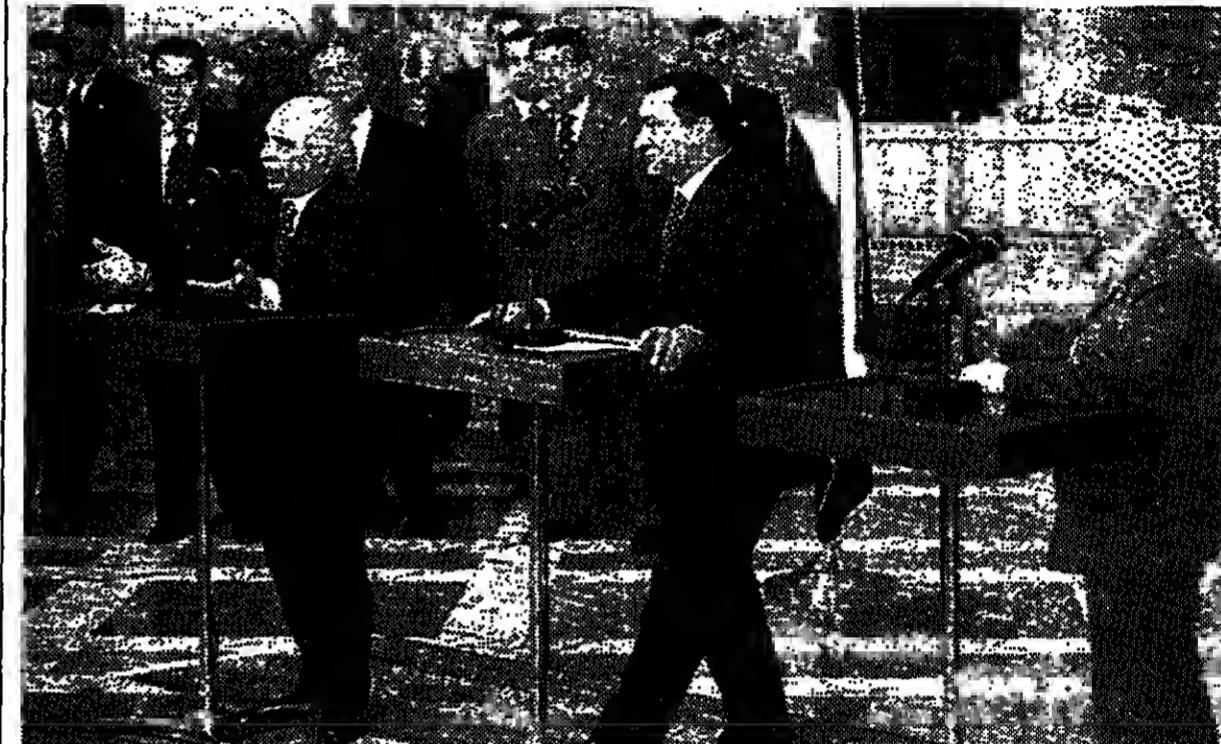
Other studies showed that giving pregnant women the anti-viral drug AZT and delivering their babies by planned Caesarean section could reduce the risk of a baby's contracting the virus from its mother to about 1 percent. The drug and surgery therapies are widespread in developed countries, said Dr. Augusto Semprini of the San Paolo Biomedical Institute in Milan.

But he added that many obstetricians in developing countries do not perform Caesarean sections because of the increased risks of the surgery and inadequate infection-control measures in their hospitals. And many developing countries cannot afford AZT.

But some gaps that need to be bridged lie closer to home.

Mark Harrington of Treatment Action Group, an AIDS advocacy group in New York City, said gaps in care existed in the United States as well as the Third World.

BRIEFLY



From left, King Hussein, President Mubarak and Mr. Arafat speaking Sunday in Cairo after their meeting.

Arabs Protest Over Jerusalem

CAIRO — Jordanian, Egyptian and Palestinian leaders meeting in Cairo called Sunday for Israel to stop tampering with the status of Jerusalem.

King Hussein of Jordan joined President Hosni Mubarak of Egypt and the Palestinian leader, Yasser Arafat, here for their first three-way meeting since September.

"The leaders assert their absolute rejection of Judaizing Jerusalem, which the Israeli government launched on June 21, 1998, and demand the abolition of such a project immediately and that no measures be taken to implement it on the ground," they said in a joint communiqué after the talks.

Israel announced plans last month to expand the boundaries of Jerusalem and link it to Jewish settlements in the West Bank, angering Arabs who see Arab East Jerusalem as the future capital of a Palestinian state. (Reuters)

despite protests from the country's Berber minority. The move came on the 36th anniversary of Algeria's independence from France.

Hundreds of Berber activists took to the streets of central Algiers to denounce the policy and demand the recognition of their Tamazight tongue as an official language.

Up to 5 million of the 30 million Algerians are believed to be Berber-speakers, mostly in the mountainous Kabylie region in the northeast. For three decades activists have tried, unsuccessfully, to have their language given the same official status as Arabic.

Many Algerians fear that if the matter is not resolved, hundreds of thousands of Berbers armed by the government to fight Islamic rebels might turn against state forces.

Algeria began an Arabization policy in the 1970s in an attempt to break with more than a century of French colonial influence, enlisting Arabic-speaking teachers from Egypt and Syria. (Reuters)

Colombians Free Seized Women

BOGOTA — Anti-government guerrillas have freed 15 young women whom they took hostage nearly three weeks ago after accusing them of covert activities for the armed forces under the guise of a social services program.

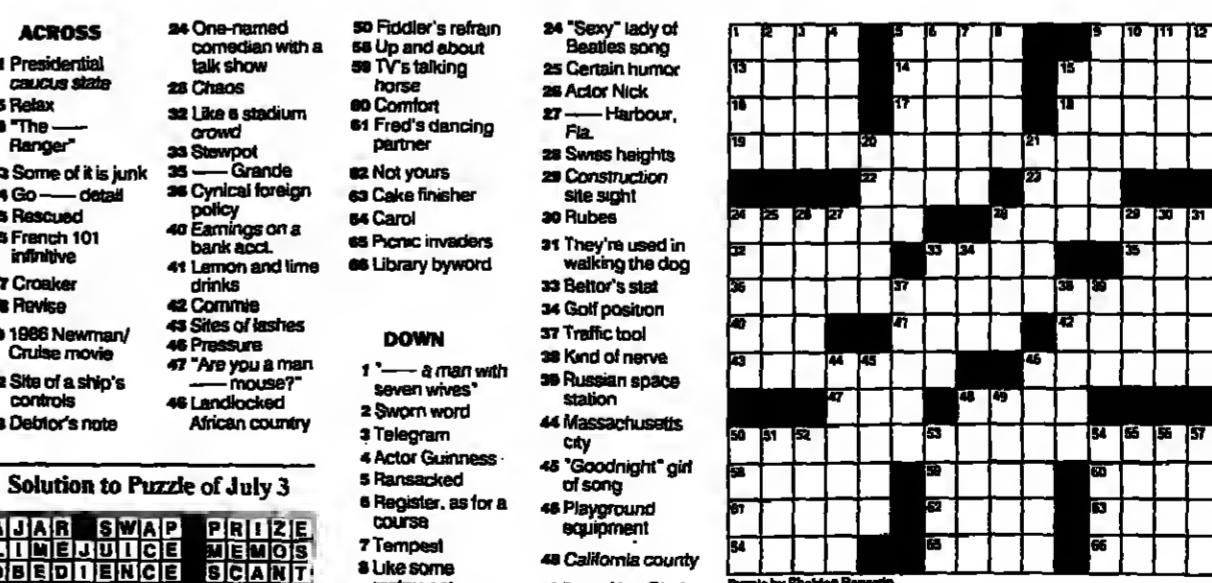
In what is deemed a "goodwill gesture," the National Liberation Army released the captives to a Nobel Peace Prize laureate from East Timor, Jose Ramos-Horta, and the International Committee of the Red Cross in a mountainous jungle area near Segovia. The gold mining town in central Colombia was where the women were abducted June 13.

Authorities said that the women, aged 13 to 21, appeared to be in good health, but that one had fractured her ankle after falling off a swing. Three victims are several months pregnant and two others recently gave birth.

The kidnappings had spurred international condemnation and were viewed as a new low in Colombia's 34-year rebel conflict.

According to the Colombian military, the women worked for a civic program run by the army in and around Segovia — a town once controlled by guerrillas — teaching residents how to improve their reading and offering health and family counseling, among other things. (W/P)

CROSSWORD



Solution to Puzzle of July 3

AIJAR	SWAP	PRIZE
LIMELIGHT	MEMO'S	ODDISHNESS
ODDISHNESS	SCANT	PERIL
SCANT	DIVE	OGSE
PERIL	IDE	IDLE
IDE	DEXTROSE	DEXTROSE
AMC	THE CAD	PEACE CONFERENCE
THE CAD	ORNAMENTAL	ORNAMENTAL TREES
ORNAMENTAL	TREES	PLANETARY SYSTEM
TREES	ONE ESS	ONE ESS
PLANETARY SYSTEM	ISE	RAINDROP TOWN
ONE ESS	RAINDROP TOWN	ALLIAD
RAINDROP TOWN	ALLIAD	ADOS MECCA
ALLIAD	ADOS MECCA	BOOZE IRONED DOUT
ADOS MECCA	BOOZE IRONED DOUT	ANNEX STRONGHOLD
BOOZE IRONED DOUT	ANNEX STRONGHOLD	TEASE TSAR EERO
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Puzzles by Sheldon Betzko

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Iraq Blames Gulf War for Cancers**Depleted Uranium Is the Culprit, Baghdad Says, but U.S. Denies It**By Doug Struck
Washington Post Service

BASRA, Iraq — The young man's leg ended abruptly in a bulbous stump. His father, a tall, stately man with weathered eyes that had seen much, stood by the hospital bed and fought back tears as a cancer he could not see was slowly killing his son.

"I got this from the war," said Falah Hussein, 19, wincing in pain. "The explosives gave me this cancer."

In the next bed, Akeel Hassan, 30, was suffering from lymphatic leukemia. He was an Iraqi soldier during the Gulf War at a base in central Iraq. During an air attack, allied missiles pierced the underground bomb shelter, killing 30 soldiers. Hassan was at dinner outside the shelter. He thought himself lucky. Now he is not so sure.

"Ever since then I have been short of breath, dizzy," he said. "There was something in the air."

Iraqi health officials contend that "something" was the depleted uranium that was used for the first time on American and British armaments during the 1990-91 Gulf War. They say there has been a marked increase in cancer from what they say was low-level radioactive and toxic dust that billowed out of the explosions.

The Pentagon insists there is no basis to the Iraqi claim and no health hazard from the uranium-tipped armor-piercing shells used in the war. "We have found no adverse effects" from the armaments, said Bernard Rostker, an assistant navy secretary who is studying the consequences of the battles.

But the question of whether the American-led "clean war" left a dirty killer in the air and soil of Iraq will not go away, despite the Pentagon's stand.

"Since 1991 the number of cancer cases has increased five to six times over what it was," said Jawad Kadhim Ali, an oncologist at a cancer clinic in Basra, close to the main battlefields of the war. "And we have seen some unusual tumors. There has to be a cause."

The issue also is raised periodically by Western anti-war groups, U.S. con-

gressional reports, some American Gulf War veterans and by some reporters who have observed Iraqi measurements the Iraqis say show increased radiation in and around the wreckage from the war.

Even the U.S. military approaches the issue with some ambivalence. Mr. Rostker acknowledged that the Pentagon has issued instructions for soldiers to avoid contact with targets of the uranium shells and is planning training to instruct soldiers not to pick up tank souvenirs.

"There is a lot of contradiction here," Mr. Rostker said in a telephone interview from Washington. "We take extraordinary precautions, even though there is no way of determining what might have caused any increasing."

But the Nuclear Regulatory Commission treats depleted uranium as a hazardous material.

The latest study, completed in February by a group called Swords to Plowshares and the National Gulf War Resource Center, concluded that thousands of allied troops may have been exposed to the uranium dust by clambering over damaged Iraqi vehicles after the war.

The group's report concluded that the Pentagon "has consistently misled veterans about the extent of depleted uranium exposures during Desert Storm."

More than 630,000 pounds of depleted uranium was released by U.S. tanks and aircraft during the Gulf War, the group said.

Depleted uranium is the byproduct of enrichment of uranium for nuclear fuel and is one of the densest metals known. It was placed on the tips of armor-piercing shells fired by tanks and aircraft.

It has lower radioactivity than uranium found in nature. But when one of the shells entered a target with a burst of heat, the uranium scattered in a cloud of dust that filtered into the air, covered the ground and eventually entered the ground water, according to critics.

Although the radiation is low-level, the dust is a toxic heavy metal, and those critics say prolonged exposure could lead to cancers.

Zimbabwe Looks Bound for TroubleBy Donald G. McNeil Jr.
New York Times Service

HARARE, Zimbabwe — Everyone in Zimbabwe knows something has to give.

Reginald Matchaba-Hove, a human rights advocate who is chairman of the ZimRights National Council, knows it when he says: "The president? He's like a king."

Mike Mutuwa is head of the parliamentary committee trying to rewrite the constitution inherited from the old white supremacist Rhodesian government. The current government uses the same provisions to suppress dissent. Mr. Mutuwa knows it, too. But he prays that change will come peacefully.

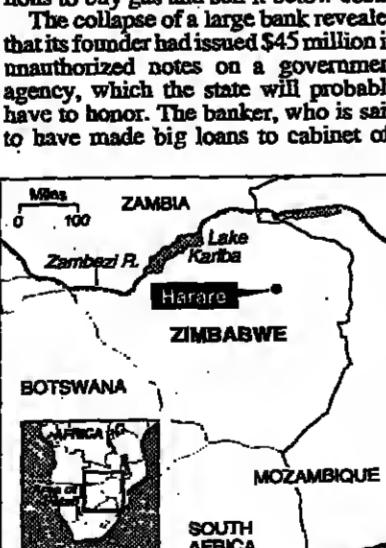
Morgan Tsvangirai, the country's most important union leader, knows it. But he does not expect change to be peaceful. He led a general strike last December. He works behind a thick iron gate since eight thugs walked into his office. Only his secretary's screams saved him from being beaten to death with his own coffee table.

And presumably President Robert Mugabe knows something has to give, although he emphatically denies it.

"There is no difficult period now in Zimbabwe," he said at an economic forum in May, "except for economic problems related to downward price trends for minerals, and one or two disturbances because of upward trends in commodity prices. It's a passing phase. We keep the economy at a level where we know it is stable."

In the last year, the Zimbabwean dollar has fallen 70 percent. Inflation is nearing 40 percent in a country where riots were rare, police and demonstrators have clashed three times since December.

In nationwide riots precipitated by a 21 percent rise in the price of cornmeal, eight people were killed. In March, students emboldened by the overthrow of President Suharto in Indonesia marched on Parliament chanting, "Suharto, Mugabe, Indonesia, Zimbabwe." Po-



lice dispersed them and closed the state university. The university had not been closed in the previous 20 years.

More trouble is expected. The unions are threatening a five-day general strike.

Food prices are artificially low because the government has ordered producers not to raise them. The producers say they will go bankrupt, causing shortages. Gasoline prices are Africa's cheapest, about half what might be the market level. The state is spending millions to buy gas and sell it below cost.

The collapse of a large bank revealed that its founder had issued \$45 million in unauthorized notes on a government agency, which the state will probably have to honor. The banker, who is said to have made big loans to cabinet offices, was stopped at the airport as he was going abroad under a false name, but the police were told to let him go.

Other "black empowerment banks" related to his are so weak that government agencies ordered to do business with them are said by the government press to be withdrawing their money every few days just to be sure it is still there. Low prices for tobacco and gold, and a 33 percent shortfall in the corn crop, are adding to the damage.

Despite calls for his resignation, Mr. Mugabe, 74, insists, "I am still at the helm." Elections are to be held in 2002.

Mr. Mugabe's response to the crisis seems to be to treat it with increasing

INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

No to Child Soldiers

Last month, guerrilla soldiers kidnapped 19 schoolchildren from the northern Uganda city of Gulu to join the Lord's Resistance Army. Most have since escaped. But the army, which is waging a campaign against Uganda with the backing of Sudan, has already abducted more than 8,000 children to use as soldiers, most under 16. Children who have escaped say they were forced to torture and kill one another. Once psychologically broken, they are used as sex slaves for other soldiers or become vicious fighters themselves.

These children are part of what researchers now estimate to be 300,000 child soldiers in militaries and guerrilla armies around the world. Most are close to 18, but tens of thousands of them are not yet teenagers. The United Nations and a new coalition of private groups are trying to focus attention on the issue of child soldiers and reduce their numbers. Success will depend on shaming the governments and expatriate communities that raise money and buy weapons for guerrilla movements.

Young people have been used as soldiers throughout history, but recent years have seen a large increase, due to the changing nature of war. Since the end of the Cold War, conflicts between countries fought by armies have been rare. Wars today are nationalist, ethnic and religious, fought by warlords who have little interest in the Geneva Conventions and may view even infants as enemies. According to a 1996 United Nations study, civilians represented 5 percent of war casualties at the beginning of the century, but 90 percent in wars today. Children are more easily taken as soldiers in these wars, fought in populated areas where the dislocations of combat erode traditional taboos. Child soldiers are most common today in Afghanistan, Sierra Leone, Sri Lanka, Sudan and Uganda.

The spread of automatic weapons has helped make children into desirable soldiers. In the past, weapons were too

heavy or complex for children to handle. But a 10-year-old can use an AK-47 almost as effectively as an adult. Children, moreover, do not demand payment and are more easily indoctrinated and controlled than adults.

Although the blight is worst in the most lawless and chaotic conflicts, it is possible to save some children. Breaking the world's silence can help stigmatize groups that use children in war, some of whom crave international legitimacy. Last week the UN Security Council had its first debate on the issue. Olara Otunnu, the UN special representative on children and armed conflict, has received a pledge from Sri Lanka's major Tamil guerrilla group, one of the most egregious offenders, to stop using children and to set up ways to monitor its compliance.

Enforcing such pledges depends on the force of public opinion. The world needs a clear international statement that child soldiers are unacceptable. A proposed protocol to the 1989 UN Convention on the Rights of the Child would raise the minimum acceptable age to 18, from 15. Consensus on this issue is important because in areas of poor record-keeping, armies often lie about children's ages. A 12-year-old can be passed off as 15, but 18 is more difficult. The United States is working against raising the age, for the shortsighted reason that 17-year-olds can legally join the American armed forces. They represent a tiny percentage of the military, however.

Delegates in Rome negotiating rules for an International Criminal Court should classify the recruitment of children under 15 as a war crime. Nations should increase their efforts to curb the illicit trade in firearms. Finally, more money must go to programs that provide psychological and physical treatment for former child soldiers. The new spotlight on the horrors of turning children into warriors is a good start.

—THE NEW YORK TIMES.

Rewards of a Summit

President Bill Clinton's visit to China, like most presidential journeys abroad, was carefully choreographed to further the interests of host and guest. Both sides hoped to move relations past the lingering trauma of the Tiananmen Square massacre nine years ago, and largely succeeded.

The trip burnished the leadership credentials of President Jiang Zemin, let Mr. Clinton talk about human rights directly to the Chinese people, and furthered the easing of tensions between Washington and Beijing. But the hardest issues were not resolved, and there was a fair amount of show in place of substance.

Mr. Jiang has become more assertive and liberal in the past 16 months as he emerged from the shadow of Deng Xiaoping. He used his appearances with Mr. Clinton to present himself as a statesman who could meet on equal terms with the leader of the world's richest and most powerful country.

More surprisingly, through his own statements and by allowing several of Mr. Clinton's appearances to be shown live and uncensored on Chinese television, Mr. Jiang signaled that he is willing to tolerate more open public debate than China has seen since the period just before the Tiananmen Square crackdown.

Mr. Clinton also embraced the opportunity for ceremonial statesmanship, a welcome relief for him from troubles at home. More substantively, he wanted to use this trip to show American audiences that today's China is too complex to be understood simply in terms of army tanks rolling through Tiananmen Square in 1989. By doing so, he hoped to strengthen domestic support for building closer economic and military links with a country many Americans understand as a repressive dictatorship and a potential strategic rival.

Mr. Clinton's repeated declarations to Chinese audiences about the importance of human rights and individual freedom, while less sharp than they might have been, have won him some political latitude on these issues at home. But legitimate misgivings remain about the wisdom of U.S. commercial dealings with companies controlled by the Chinese military and Beijing's alleged attempts to buy influence in U.S. politics.

The nine-day Clinton visit marked a modest gain for relations between the United States and China, which were

dangerously frayed as recently as two years ago. Increasingly frequent meetings between Mr. Clinton and Mr. Jiang are improving communication and trust between the two leaders. Last week's agreements on issues like re-targeting nuclear missiles, working together to resolve the Asian financial crisis and restraining missile sales to Pakistan were largely symbolic, but at least sent the right signals.

Mr. Clinton and Mr. Jiang failed, however, to resolve some of the most serious problems between the two countries. These include the illicit transfer of U.S. space technology to China, Beijing's reluctance to lower trade barriers to qualify for the World Trade Organization, and the continued refusal of China to renounce force in its dealings with Taiwan.

Having posed for their flattering photo ops and reaped their intended political rewards, both men are now obliged to grapple with these difficult but important problems.

—THE NEW YORK TIMES.

Other Comment

Act Against Milosevic

Three years after the Dayton accords ended the fighting in Bosnia, Slobodan Milosevic is back at it again. This time, his forces are in Kosovo, driving out and killing [ethnic] Albanian men, women and children — even as he meets with diplomats and moderate Kosovar leaders. If the world does not heed the lessons of Bosnia and act forcefully now, Kosovo's 2 million Albanians will fare much worse than their Bosnian neighbors.

The time for prevention has come and gone. In light of years-long Albanian suffering, it is no surprise that some Albanians have become impatient with nonviolent resistance and support the Kosova Liberation Army.

As the U.S. experience in Bosnia demonstrated, negotiations that are not backed by the credible threat of force will not succeed.

Unless the world forces Mr. Milosevic to cease his attacks and accept international mediation, the conflict that has already begun will be worse than Bosnia not only for the Kosovars, but also for Europe, NATO and the United States.

—Senators Bob Dole and Joseph I. Lieberman, commenting in the Los Angeles Times.

A Special Relationship With Painful Side Effects

By Philip Bowring

HONG KONG — Bill Clinton's trip to China was an extraordinary event. It brought home the unwritten but real existence of the special relationship between China and America. It was a reminder, too, that this relationship is not always healthy, particularly for broader U.S. interests in Asia.

President Clinton seemed to embrace almost physically the "strategic partnership" with China.

His lavish praise for China's achievements and prospects carried the media along on a wave of good feeling about China. This will surely yield domestic political returns for Mr. Clinton as November elections approach — and reinforce the U.S. tendency, apparent for 150 years, to approach China from a missionary perspective.

The trip was also extraordinary for the way in which China, so proud, so aloof, so sensitive to foreign "interference," meekly listened to lectures, albeit tactfully delivered, on liberty, democracy, free markets and (surprisingly, given U.S. lack of enthusiasm for emission cuts) the environment.

The mostly positive response to the lectures reflected America's image in China as the exemplar of the modern state, and was a tribute to Mr. Clinton's skill with words and audiences.

There is at least a possibility that the

visit will have some lasting impact on the development of liberty and the rule of law in China.

Only history can measure something that now is easily exaggerated by the hype of the moment and by America's over-expectations of its ability to influence China. But the possibility should not be entirely dismissed.

Other benefits include bolstering the position of President Jiang Zemin and the relatively reformist group around him, which faces huge economic challenges. The trip will at least delay the onset of a protectionist backlash in the United States against China's trade surplus. It may help keep the military in check by giving it the impression that its modernization and renunciation of its best served by cooperation with the United States.

On the debit side, the talk of a "strategic partnership" with China is both hollow and viewed with suspicion by others in Asia. The real strategic issues, such as the South China Sea, have been avoided. Meanwhile, India has with good reason been deeply offended by the use of the visit to gang up against it and seek to dictate the security policies of South Asian countries.

have been new U.S. policy, but it was planned, and seen as very significant in Beijing and Taipei.

Beijing can live without WTO membership. Military technology and pressure on Taiwan are what it wants from America. Those are more substantive than a slowdown in China's help for arms development by Israel and Pakistan that Washington expects in return.

It may be that Chinese-U.S. mutual admiration will quickly fade when confronted with the realities of economics, the U.S. Congress and a cooler appraisal of U.S. relationships once memories of the visit have faded. However, it has started some outside China into thinking about U.S. goals and how relationships may change over the coming years.

In particular, those who had looked almost exclusively to the United States may edge toward new accommodations of their own. Russia and Japan, India and Taiwan would make odd bedfellows. But one would have said that about Mr. Clinton and Mr. Jiang at the start of the decade.

The chances are that history will forget the Clinton visit as quickly as it forgot Mr. Jiang's visit to America. But for good or ill there is just a possibility that it was a watershed or a catalyst.

International Herald Tribune.

Clinton's China Visit Signals a Major Reversal of Alliances

By William Pfaff

PARIS — President Bill Clinton's journey to China, has brought a reversal of alliances. Mr. Clinton suddenly became so evasive on this point.

Instead, the "constructive strategic partnership" was affirmed, directed against independent Taiwan — today a democracy, with less than 2 percent of China's population but a dynamic economy nearly half as big as China's (in nominal GDP calculated at current market prices).

Mr. Clinton, at China's request, and in words dictated by the Chinese, affirmed America's commitment to the Three No's, engaging the United States to support the absorption of Taiwan by China.

The American position continues to be that this should be done peacefully and through negotiation. However, by announcing that the United States will not support Taiwan's independence, or a permanent "two-Chinas" solution, Mr. Clinton effectively abandoned the "only Chinese"

reversal of alliances. But as a result, Japan has been given reason to think that its well-being and security are strictly its own responsibility now, which is a development that could have enormous effect on Japanese internal politics.

India developed its nuclear weapons because of its fear of China. It now finds that the United States is the "strategic ally" of the country it considers a threat to its integrity.

America's reversal of alliances has been dramatized by Mr. Clinton's unprecedented decision, on Chinese demand, to avoid visiting Japan on a presidential Asian trip.

It was a considerable

weak's work, and it will have

continuing repercussions in Asia and on the United States long after Mr. Clinton and his associates have retired to the golf courses and lecture circuits. They seem to have received nothing in return.

They not only have offered

no explanation for their Asian policy reversal but do not seem to understand the implications of what they have done.

There are plenty explanations. Washington is annoyed with Tokyo's fiscal and trade policy. To move toward China is punishment. But annoyance with Japanese economic policy is an old and boring story.

Mr. Clinton wanted television exposure of a Chinese visit to get the Washington press off its morbid obsession with Kenneth Starr and Monica Lewinsky. He needed dramatic gestures, of a gravity that he possibly did not understand.

He is under pressure from business, where CEOs are often the victims of intellectual fashion and for a long time have been dazzled by the prospect of a billion new Chinese consumers — and simultaneously unmoved by the development of a prosperous middle class in India, where nearly another billion people live.

It is a fair assumption that no grand design lay behind this

grand design lay behind this.

—Los Angeles Times Syndicate.

Palestinians Might Go Ahead and Declare Statehood

By Stephen S. Rosenfeld

WASHINGTON — A new dynamic is overtaking the stalled Middle East peace talks. Palestinians are saying that if they can't get their principal goal of statehood from Israel by bargaining, they will take it by unilaterally declaring statehood.

Yasser Arafat apparently thinks that the fear of such a declaration may soften up Israeli negotiators. And if it does not, then the Palestinians, whose statehood aspirations enjoy broad international support, will be on good terrain to wage a vigorous diplomatic campaign.

To be sure, the Palestinians will be on bad terrain to wage a military campaign, since the Israelis can bring superior power and discipline to bear. But that has always been so.

Axious voices warn that Benjamin Netanyahu's government would respond to a Palestinian declaration by breaking off talks on the Oslo accords for interim self-rule, or abandoning Israel's Oslo commitments to further territorial withdrawal.

The date on which Mr. Arafat might act is May 4, 1999. That is five years to the day from the signing of an interim Oslo accord that allotted two years for the sides to open final-status talks and three more years for those talks to produce peace.

With more than four years gone,

those final-status talks have yet to begin.

Even if they soon do, it is difficult to imagine that they will be successful, or at least look promising, by next May 4.

Will Mr. Arafat then take a page from the Zionist book and act? By his statements indicating that he will, he is painting himself into a corner. Certainly he will look foolish if he gets up to May 4, 1999, discovers that the Israelis are calling his bluff, and backs down.

He would then have to defend himself against the charge that, at a crucial pass, he sold out the nationalist cause whose most trustworthy champion had claimed to be. The reaction of the Palestinian street to any such display is not a pretty thing to contemplate.

The weakness of the Arafat initiative is that, in his hands, it risks becoming a romantic gesture. For his strategy to be plausible and to have a chance to take hold, he must work through the complex practical problems of a unilateral declaration. Over what physical area will be assert statehood? How is any such assertion to be enforced against Israeli resistance? How are Palestinians meant to travel between the West Bank and Gaza? What about water? And so forth.

Mr. Arafat has ignored the specifics. To continue down this path of innocence, without

arguing out and formulating a workable program that could be negotiated with the Israelis, is to ensure that a statehood claim would "disintegrate" upon launching. The Palestinian national cause could be set back another 20 years.

As for Mr. Netanyahu, he wants it both ways. First he wants to continue denying Palestinians a state inside the negotiations. Then he wants to make sure the Palestinians do not get a state outside the negotiations. Do not leave the table, he gravely warns, even as he denies the Palestinians satiation at the table.

In his self-focus, he seems oblivious to what is surely the basic political fact of the 20th century, that one people cannot rule another without its consent. Or, if he is not oblivious, he has just not mastered the political courage to cut his ties to his extremist coalition partners.

As the chief custodian of the Mideast bargaining process, the United States extols the Oslo principle of mutuality over unilateralism, and fears that either party's brinkmanship could get dangerously out of hand. The American advice is to negotiate now. It is good advice, but it has been substantially ignored these past 16 months. The Clinton administration has to make ready for a major lurch in May.

The Washington Post.

Urban Sprawl Disfigures Israel

By Thomas L. Friedman

JERUSALEM — So the Israeli government announces plans to extend the authority of the Jerusalem municipality over the hills and towns, primarily to the west and southwest of the Israeli capital. It says this is to improve city planning and services. Behind the scenes, everyone asks: What is this move really about? Annexation? Provocation? Better bus service?

The answer may be none of the above. According to the Society for the Protection of Nature in Israel — which knows every hill, forest and stone in the area to be brought under this greater Jerusalem umbrella — what this is most about is real estate development.

For the past decade the Nature Society has been fighting successfully to limit development in the terraced hills and Jewish National Fund forests to the west and southwest of Jerusalem, explains Yossi Sagi, its chairman, who, along with Israel Kimhi, a former Jerusalem city planner, and Avi Shaked, the organization's conservation coordinator, gave me a tour of this area.

"Right now much of this land is controlled by the state and it is designated as forest and parks, with some open spaces reserved for farming," says Mr. Sagi. "In accordance with the national plan, you can't build on these lands, except with great limitations..."

"It seems that the real estate

coupled with the poor use of land inside Tel Aviv and Jerusalem — which results in these cities' building outward instead of upward — is increasingly devouring the biblical landscape.

The Golden Arches of McDonald's now dominate a prominent hill as you enter Jerusalem. If there were no Arab-Israeli conflict, the next big political party would surely be called "Green Now."

Israel can never limit Jewish immigration. But unless it gets much more sensitive about sustainable development, something essential to Zionism is going to be lost.

"Every project that is approved against the national plan, and destroys open space, destroys part of Jewish heritage — the biblical landscape of David and Solomon's day," said Mr. Sagi. "The Bible refers to the vineyards of Ben Shemen. Today Ben Shemen is the biggest highway interchange in the country. We still speak about 'The Land of Israel' in metaphysical terms, but we forget about the actual land."

Adds Mr. Sagi: "We have to change the culture, here by conquering the land, to preserving the land. Because if Israel should one day become a normal country, with no more wars, what will sustain us here is the quality of life and connection to the land. But if we keep to this trend, we will have no quality of life and no land to be connected to."

The New York Times.

possibly shock certain prude Americans. Nevertheless, contracts call for their presentation exactly as they are shown here.

Judging by the large numbers of Americans who crowd the Grand Guignol in Paris,

HEALTH/SCIENCE

Earliest Fake Stone
Is Discovered in Iraq
A Method Behind 'Bad Basalt'By John Noble Wilford
New York Times Service

NEW YORK — On broad plains layered with silt from the Tigris and Euphrates Rivers, the people of ancient Mesopotamia managed to build the first cities and spreading empires without local sources of such raw materials of civilization as timber, metal ores and stone. What they could not import, they had to do without, or, as archaeologists have now discovered, learn how to make synthetic substitutes.

Last week, archaeologists and geologists reported finding the first evidence of artificial stone in the ruins of Mashkan-shapir, a city that existed about 4,000 years ago in what is now southern Iraq.

Artisans had apparently heated fine-grained alluvial silt to melting temperatures, then slowly cooled it to produce rock-hard slab resembling a type of volcanic rock called basalt.

Dr. Elizabeth Stone, an archaeologist at the State University of New York at Stony Brook, described the discovery in the current issue of the journal *Science* and in interviews. The findings were based on a recent geological analysis of 17 pieces of stone collected before the Gulf War in 1991, and more soil and stone samples borrowed from a museum in Baghdad.

Dr. Stone's excavations in the late 1980s established Mashkan-shapir as a relatively large city of 15,000 people in the early second millennium B.C., after the collapse of the city of Ur as the

center of power. After a brief period of glory, Mashkan-shapir declined and was abandoned in 1720 B.C. Its ruins disappeared in the desert until archaeologists began digging there in this century.

Some of the synthetic rock slabs, which measure about 30 inches (75 centimeters) long, 16 inches wide, and 3 inches thick, were found in ruins near one of the city's temples.

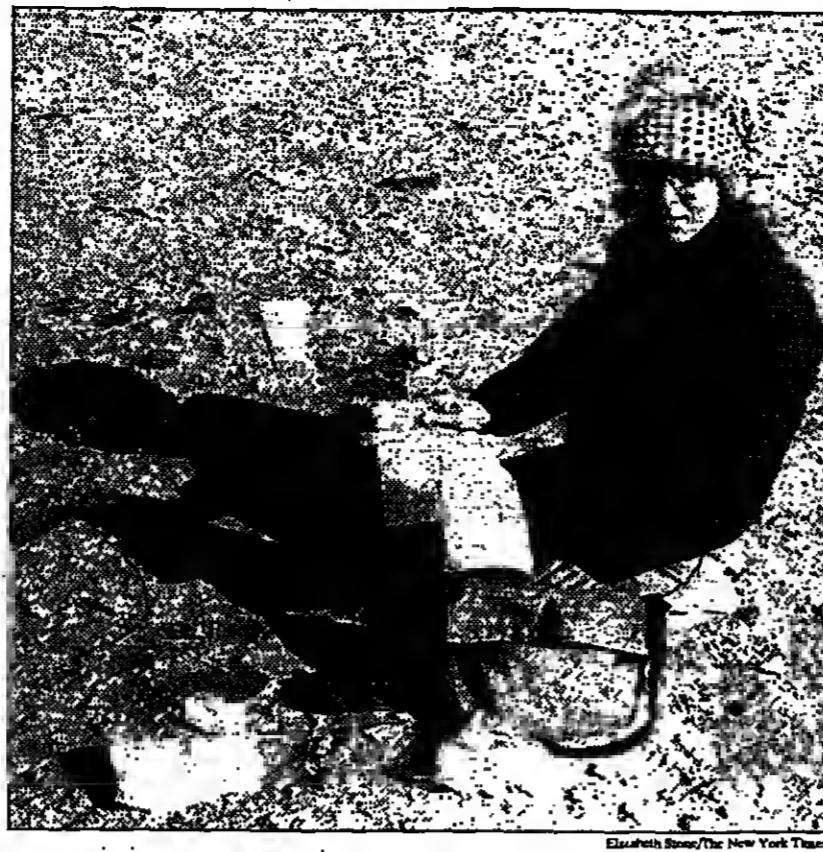
"I didn't think they looked right," Dr. Stone said in an interview. "I thought, ah, this is just bad basalt."

One of her colleagues, Dr. Donald Lindsley, a Stony Brook geologist, tested the slabs and linked them to local soils and to several hundred fragments of rock found across the site. He and other researchers satisfied themselves that the slabs were not merely slag from metal or pottery furnaces.

The synthetic basalt, Dr. Stone and her colleagues reported, "appears to have been manufactured in some quantity as a substitute for the natural basalt that had been used for grinding grain in all parts of the ancient Near East since the beginning of agriculture."

ASIDE from the coincidence of a scholar named Stone from a university in Stony Brook finding the earliest known fake stone, the discovery is noteworthy because it should provide new insights into the history of ancient technology, especially the innovative uses of fire in transforming raw materials into pottery, metal, plaster, and glass.

Such early production of synthetic



Elizabeth Stone in the desert where she found the artificial rock.

stone was previously unknown to historians, but its discovery suggests the existence of a creative collaboration between metallurgists and ceramicists in Mesopotamia about 4,000 years ago.

Dr. Stone and her associates said that the deliberate production of synthetic rock suggested that Mesopotamian artisans had learned the technology from their experience in smelting metals and baking pottery. The intense heat applied in those processes produced a byproduct of slag that bore similarities to volcanic rock.

The new evidence, the archaeologists said in their conclusion, "suggests that the potentialities of those byproducts as

a substitute for imported grinding stones was perceived and that the pyrotechnologies developed by potters and smelters were pooled in an experimental process that eventually yielded a consistent product."

Until Iraq is again open to archaeological work, Dr. Stone said, many questions about the artificial basalt will remain unanswered. She would like to return to Mashkan-shapir to search for the furnaces that were used for making the stone.

Finding the furnaces could reveal much about the actual process of making artificial stone about 4,000 years ago.

Vegan Diet: Hard
For Kids to Swallow
Experts Disagree With Dr. SpockBy Jane E. Brody
New York Times Service

NEW YORK — Picture a childhood without ice cream or the occasional hot dog or burger at a birthday party or ball game. Picture in their stead organic applesauce, peanut butter and soy patties.

The latter are the kinds of foods children should be fed if they are to grow up lean and healthy, states the most influential book on bringing up children, Dr. Benjamin Spock's *"Baby and Child Care."*

In a radical shift from the nutritional advice offered in previous editions, the new seventh edition of this bible of child-rearing advises parents to provide an all-plant, or vegan, diet for their children after the age of 2.

Dr. Spock, who died in March at 94, just weeks before the new edition was published, had himself become a strict vegetarian in 1991, a change that his wife said greatly improved his failing health and enabled him to complete the revision of his world-famous book.

In its current *Pediatric Nutrition Handbook*, the academy points out that small children can do very well on a diet that is partly vegetarian (for example, includes no red meat or poultry but does include fish, dairy products and eggs) and on a lacto-ovo-vegetarian diet (dairy foods, eggs and plants) or lacto-vegetarian diet (with dairy products as the only animal foods).

OR pure vegetarians, or vegans, the academy says parents must pay close attention to what their children eat to be sure that a wide variety of food is consumed and that meals are nutritionally balanced.

vegetarian diet for children has to be a family affair. If you decide to feed your children a diet that restricts some, most or all animal foods, you have to be prepared to eat that way, too. If you expect children to stick to a vegan diet even when they eat away from home, you may have to pack take-along plant foods.

There are emotional and social concerns as well. Dr. T. Berry Brazelton, the prominent child behavior specialist at Boston City Hospital, noted that "most children in their second and third year are in such rebellion about food, it's hard to get them to eat any vegetables." This can put pressure on parents, he said, "who in turn will put pressure on their kids."

Want to Stay Healthy? Then Think Positive

By Susan Gilbert
New York Times Service

NEW YORK — People who look on the bright side have reason to be optimistic. Evidence suggests that they have healthier, longer lives than gloom-and-doom counterparts.

For years, research has shown that optimists have better coronary bypass surgery and that they live longer with HIV. Now a new study suggests that positive thoughts are also good for healthy people.

When under tremendous, unrelenting stress — in this case, the first semester of law school — students who were optimistic about doing well had more T-cells and natural killer cell activity than they had before the semester began. These immune factors, which help thwart infection, showed little change in the pessimists.

The findings strengthen the notion that thoughts and feelings can affect the immune system, said Dr. Suzanne Segerstrom, an assistant professor of psychology at the University of Kentucky in Lexington and the lead author of the study, which appears in the June issue of the *Journal of Personality and Social Psychology*.

Other research has found that the more stress people experience, the more likely they are to get colds. The new work raises the possibility that optimism may help prevent people from getting sick during stressful times, Dr. Segerstrom said.

"This study provides an important link in the optimism literature: immunological data," said Dr. Janice Kiecolt-

Glaser, a professor of psychiatry at Ohio State University College of Medicine in Columbus. Dr. Kiecolt-Glaser and her husband, Dr. Ronald Glaser, study how stress and emotions affect the immune system.

The study followed 90 healthy students just before they started law school through the middle of their first semesters, a notoriously stressful period. In the beginning, blood tests revealed that all of the students had comparable levels of T-cells and natural killer-cell activity. These measurements were repeated eight weeks later to see whether they had changed.

Meanwhile, each student filled out questionnaires that gauged two kinds of optimism: dispositional optimism, the students' expectations about life in general, and situational optimism, their expectations for success in law school specifically.

Though situational optimists also tend to be dispositional optimists, the relationship is not perfect, said Shelley Taylor, a co-author and psychology professor at the University of California at Los Angeles.

"Some immediate social factors can give you a sense of optimism about your situation, like whether there are things in your environment that give you a sense of hope," she said. "But dispositional optimism has a moderate genetic basis and is not easy to modify. By the time you're 25, you're not going to affect dispositional optimism a whole lot."

The study found that the more optimistic the students were, the greater the increase in the immune system

measurements. But the relationship was strongest for situational optimism.

The number of T-cells rose by 13 percent in the situational optimists but dropped by 3 percent in the situational pessimists. Natural killer cell activity was up 42 percent in the situational optimists but increased by just 9 percent in the situational pessimists.

Dr. Segerstrom said that she was not surprised that situational optimism was more closely tied to the immune system than dispositional optimism, because it reflects the students' attitudes about the stressful situation at hand, law school.

The study left two unanswered questions. One is why the optimists' immune systems got stronger once the pressure was on. The researchers suspected that the optimists had healthier attitudes and habits than the pessimists, that they perceived less stress, had less intense mood disturbances, exercised more and avoided smoking and alcohol.

By the optimists did have these healthy traits, as measured by questionnaires assessing health-related traits, only mood and stress had any bearing on the immune system measurements, and it was small.

"This suggests that there's something we didn't measure about optimism that explains the immune system effects," Dr. Segerstrom said.

The other question is whether the immune system factors went up enough in the optimistic law students to reduce their risk of contracting colds or other infections. Though comparable increases have affected the course of illness in people whose immune systems were

weakened by poor health, it is not known whether they would have any effect on healthy people, Ms. Segerstrom said.

Perhaps the most encouraging news from the study is that the brand of optimism that proved key is not a hardwired personality trait, but something that pessimists can adopt with a little help, psychologists say.

"There's ample evidence that pessimists can become more optimistic," said Dr. Christopher Peterson, a psychology professor at the University of Michigan who has studied optimism.

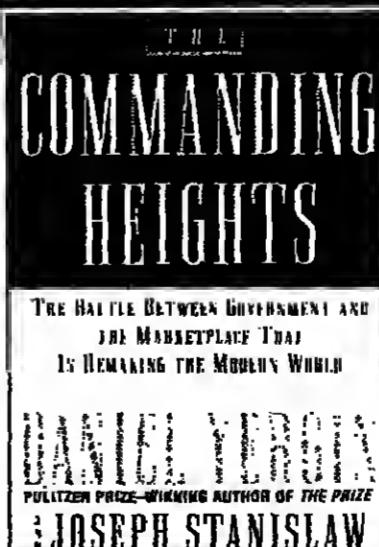
But parents who decide to adopt Dr. Spock's nutritional advice should know that it requires careful meal planning and professional guidance to insure that

from Daniel Yergin, the Pulitzer Prize-winning author of *THE PRIZE*

THE AGE OF GLOBALITY



A sweeping and epic account of the 20th century—and the changes that will shape the 21st. In their new book *The Commanding Heights*, Daniel Yergin and Joseph Stanislaw capture the riveting personalities and surprising events, the conflicts and the conviction, and the forces of history and technology that are changing the world. And they explain why the "triumph of markets" will also mean a testing for markets.



"Brilliantly successful...The *Commanding Heights* manages [a] most impressive feat: to tell a real-world story in multiple dimensions and to make it read like a novel."

— Jeffrey E. Garten
The New York Times Book Review

"Yergin and Stanislaw ask all the right questions."

— Michael Elliott, *Newsweek*

LANGUAGE

A Birthday Game: Name That Nation

By William Safire

WASHINGTON — On this Independence Day weekend, it is fitting and timely to ask: Who coined the name *United States of America*?

In the year before independence, many in the colonies went with the name used by Benjamin Franklin in his July 1775 draft of an articles of confederation: *United Colonies of North America*. Another name, however, most famously appeared in print on July 4, 1776, in the *Declaration of Independence*, which was drafted by a committee that assigned the task to Thomas Jefferson: Its last paragraph referred to "the Representatives of the United States of America, in General Congress Assembled."

In our first exploration of this mystery a few months ago, it was reported that the widely accepted Jefferson coinage (written by Young, Tom between June 11 and June 23, 1776) might have been antedated by two other citations: the first in a letter from Continental Congress member, Elbridge Gerry, to General Horatio Gates dated June 25, and the second in a letter to The Pennsylvania Evening Post published on June 29, from the pseudonymous writer "Republicus."

Two letters have come pouring in.

One is from a biographer of Thomas Paine, Professor Jack Fruchman Jr., of Towson University, in Maryland, who insists that Paine's usage two years after the Declaration in his widely read "American Crisis" publicized the name. Call me a summer soldier or sunshine patriot, but common sense tells me that a popularizer is not a coiner.

comes now Ronald Gephart, last of

the editors of the Library of Congress's 25-volume "Letters of Delegates to Congress, 1774-1789." He searched his new CD-ROM of all that correspondence, then dug around in the *Journal of the Continental Congress*, and alerted me to his findings just in time for the nation's 222d anniversary.

Richard Henry Lee of Virginia was the Founder who made the motion on June 7, 1776, to declare "that these United Colonies are, and of right ought to be, free and independent States." His resolution led to the formation of three committees: one, starring Jefferson and John Adams, to draft a declaration of independence; another, including John Dickinson, the conservative Pennsylvanian, and Roger Sherman, to draft articles of confederation, and a third, including Dickinson, Adams and Franklin, to draft a treaty plan.

"All three committees began to work simultaneously," writes Gephart, "and continued to do so until the end of June. Jefferson accepted the responsibility for drafting the declaration, Dickinson the articles and Adams the treaty plan. But as many as 18 members of the three committees were working together to create these three fundamental documents in which *United States of America* was used for the first time."

So who came up with the catchy name for which the initials are not UCNA but USA?

The historian concludes cautiously: "The term was first coined by one or more members during the early deliberations of the three committees — between June 11, when Jefferson's committee began work, and June 17, when it appeared in the second draft of Dickinson's Articles."

— New York Times Service

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<http://www.commandingheights.com>

CAPITAL MARKETS ON MONDAY

Big Money Targets Mid-Term Bonds: Good Returns, Not Much Risk

Bloomberg News

NEW YORK — Some big bond investors are snapping up Treasury notes maturing in five or 10 years as they await signs the economy is slowing enough to prompt the Federal Reserve Board to cut interest rates.

"With no one expecting anything out of the Fed soon, we're starting to build our holdings in the five-year area," said Robert Fernand, a manager for Society Asset Management in Cleveland.

Treasury bonds rallied this year, pushing the yield on the benchmark 30-year bond to a record low of 5.57 percent on June 15.

U.S. markets were closed Friday for the Independence Day holiday, but the long bond closed Thursday at 5.60 percent, compared with the close last week of 5.64 percent.

Most gains last week came as tum-

bling Asian financial markets and a surging dollar sent international investors to U.S. government securities as a haven. The economy has now begun to show signs of slowing from its robust first-quarter pace, while inflation remains subdued.

Many investors reckon that five- and 10-year Treasuries look attractive because they pay almost as much interest as long-term bonds and run less risk if prices fall. Shorter-maturity Treasuries are now yielding nearly 97 percent of the return of 30-year bonds.

"There's more move to be had in the middle part of the curve," said William Dawson of Federated Investors in Pittsburgh. Yields there are "still above the lows reached in mid-January, while the long end is at new lows."

He said that Federated bought some Treasuries due in three to seven years in

recent weeks, betting that they have more room to gain because they have lagged bonds during the rally.

The longer the maturity, the bigger are the gains from capital appreciation as yields fall. But when interest rates climb, investors are hit with bigger losses.

Five- and 10-year notes yield 5.42 percent and 5.41 percent respectively.

U.S. CREDIT MARKETS

The central bank's target rate for overnight loans between banks is 5.5 percent.

Of course, investors who made the most bullish bet in 1998 — buying 30-year bonds — did the best. They reaped returns of 7.6 percent, compared with 5.2 percent for 10-year notes and 4.1 percent for five-year securities, when price gains and coupon payments are

taken into account.

"With the curve so flat, bonds are the only place to get some yield pick-up," said Mike Piper, a bond manager at Hartford Investment Management.

Bond prices gained Friday, with 30-year yields falling the most, after Japan's latest plan to fix its ailing banks disappointed some investors, and the U.S. employment report suggested the economy was losing steam.

Most of the gains came after Japan's plan failed to bolster expectations for a speedy improvement. The dollar hovered near 142 yen late last week, making Treasuries more attractive to international investors who convert the interest into their home currency.

"The employment report continues to show weakness on the manufacturing side," said Kent Newmark, a bond manager for Loomis, Sayles & Co. in San

Francisco. "It's tilting the odds from the possibility of the Fed's tightening to a neutral stance or even a Fed ease."

Fed policymakers held interest rates unchanged at a two-day meeting this week. Minutes of the previous meeting, on May 19, were released on Friday, showing that Fed officials voted 10-2 to hold rates steady. The central bank maintained its bias toward higher interest rates at the May meeting.

Yet bond investors appear less concerned about the threat of inflation and higher interest rates. Consumer prices were up 1.7 percent through the 12 months ended in May, below the 2.2 percent pace in the corresponding period last year.

"If you really love the market, buy the long bond," said Mr. Newmark of Loomis. "But if you're neutral buy the five-year. If the Fed does lower interest

rates, you'll still go along with the ride."

June Price Data Seen Benign

With the dollar rising and food prices falling, economists expect the June producer price index — which tracks the prices paid to factories and farmers for finished goods and is due for release next week — to be pretty benign.

Part of the credit goes to economic turmoil in Asia, where falling currencies have led to falling prices for goods shipped to the United States. That, in turn, forces U.S. companies to hold prices steady, or cut them.

"Clearly the international situation is helping to contain inflation, despite the labor shortage, and the PPI will show that," said Patrick Flaherty, associate economist at Fleet Financial Group.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending July 3. Prices supplied by Telekurs.

Rnk Name Cpn Maturity Price Crt Yd

Argentine Peso

182 Argentina Prev 2.9964 04/01/01 58.8928 5.0900

Austrian Schilling

214 Austria 5 01/15/08 101.0500 4.9500

British Pound

49 Amington Fin zero 12/07/22 21.2500 6.5400
76 Amington Fin 7.9508 01/22/23 94.1234 6.2700
102 British 7.5 04/07/02 101.5288 6.7800
112 British 7.5 12/07/02 110.3200 6.7800
144 Amington Fin 7.5 01/22/23 181 7.2000
172 Germany 7 04/04/00 98.7500 7.0000
157 Credit Local 69 05/01/03 101.4200 6.5200
188 Thame Fin 7.5 07/01/03 57.0995 11.7800
190 Holistic 69 04/03/02 101.4200 6.7800
203 Thame Fin 7.5 07/01/03 71.2524 6.8200

Danish Krone

10 Denmark 8 03/15/06 119.7200 6.6800
12 Denmark 7 11/15/07 115.3200 6.9700
21 Denmark 7 12/07/02 110.3200 6.9700
30 Denmark 7 12/07/02 102.2500 5.9700
32 Denmark 8 05/15/03 114.5200 6.9700
35 Denmark 9 11/15/02 101.2500 6.7100
40 Nykredit 7 10/01/29 101.5250 6.8700
45 Nykredit 6 10/01/29 99.0000 6.1200
55 Realkit Denmark 6 10/01/29 97.4900 6.1600
60 Realkit Denmark 7 10/01/29 101.6000 6.8700
72 Denmark 7 11/15/02 101.2500 6.5600
73 Denmark 7 11/15/02 101.2500 6.5600
86 Denmark 7 11/02/24 121.2500 5.7400
90 Denmark Thills zero 98.6751 3.9700
122 Denmark 8 11/15/02 101.8300 7.2200
161 Unicredit 6 18/01/29 101.2500 6.1500
183 Unicredit 6 10/01/26 101.2500 5.9200
197 Unicredit 6 10/01/26 101.2500 5.9200
269 Denmark Thills zero 97.0099 4.0100
289 Denmark's R 6 10/01/24 101.8800 6.8800
243 Nykredit 6 10/01/24 101.3200 5.9200

Deutsche Mark

1 Germany 54 01/04/08 103.3162 5.0800
2 Germany 6 07/04/07 109.3200 5.5800
5 Germany 6 01/04/08 103.4000 5.2700
6 Germany 54 01/04/08 104.4243 5.4000
7 Germany 4 06/16/00 102.0000 4.0000
8 Germany 4 03/17/00 100.0000 4.0000
10 Germany 5 01/15/02 101.2500 5.5600
14 Germany 4 05/17/02 100.7200 5.7400
17 Germany 7/03/05 103.5275 5.3900
18 Treuheld 7/09/04 103.5280 6.4700
20 Germany 6 01/20/05 101.2500 5.6200
22 Germany 6 05/21/05 110.5000 6.0800
24 Germany 8 07/22/02 111.4685 7.0200
25 Germany 6/14/05 111.1700 5.8500
27 Germany 7/09/99 101.2500 5.9200
29 Germany 6 01/05/04 106.2000 5.9200
34 Germany 6/02/00 111.0701 5.9200
36 Germany 4/02/00 108.2200 4.4700
37 Germany 6/02/00 108.2200 6.3200
39 Treuheld 6/04/00 108.2200 5.9200
41 Germany 6/07/00/03 109.7188 6.0400
42 Germany FRN 3.30/67 09/30/04 99.4703 3.3200
43 Germany 7/11/01/02 111.2500 6.4800
45 Germany 6/04/00 101.2500 5.5600
46 Germany 6/03/00 104.1014 6.2400
48 Germany 6/01/03 104.4615 5.5200
54 Treuheld 6/01/03 104.4615 5.5200
55 Germany 6/01/04/24 112.2014 5.5200
58 Germany 6/04/02/03 110.2200 5.5200
59 Germany 6/04/02/03 110.0775 6.1200
60 Germany 6/04/02/03 110.2200 5.5200
62 Treuheld 7/01/03 104.1198 6.7100
63 Germany 3/04/00 99.7533 3.5100
64 Germany 08/02/00 103.4550 5.5600
66 Treuheld 7/04/00 102.8888 6.8700
67 Germany 4/12/99 98.0087 4.4300

The Week Ahead: World Economic Calendar, July 6-10

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

Expected This Week

Beijing: South Korean minister of foreign affairs and trade, Park Chung Soo, visits China and Mongolia from Wednesday to Sunday, and meets with Foreign Minister Tang Jiaxuan of China to discuss a partnership between the two countries.

Monday July 6

Hong Kong: New International airport at Chek Lap Kok opens.

Taipei: Government reports consumer price index for June.

Tokyo: Japan Automobile Importers Association releases data on sales of imported automobiles for June.

Tuesday July 7

Taipei: Government reports trade data for June. China Steel Corp. and Siemens AG hold news conference on Metro Taipei project.

Tokyo: Federation of Bankers Associations of Japan releases data on bank deposits and lending for June.

Wednesday July 8

Tokyo: Bank of Japan reports on wholesale prices for June. Ministry of International Trade and Industry releases data on credit-card use in May. Wellington: Government sells 200 million New Zealand dollars of bonds at auction.

Thursday July 9

Melbourne: Securities Institute of Australia holds Pipers Brook Vineyard managing director, Andrew Pines.

Sydney: Government releases labor-force figures for June.

Friday July 10

Sydney: Government releases housing finance data for May.

Europe

London: Bank of England's Monetary Policy Committee holds monthly meeting Wednesday and Thursday to set benchmark interest rate.

Innsbruck, Austria: European Union Ministers meet from Wednesday to Friday to discuss labor and social policies.

Brussels: European Commission rules on British Airways-American Airlines and Lufthansa-United Airlines alliances and WorldCom's acquisition of MCI. EU finance ministers hold regular meeting after meeting of ministers from 11 countries adopting the Euro.

Bonn: Economics Ministry releases report on May industrial output.

Budapest: Debt Management Agency auctions 5 billion forint of three-month treasury bills.

Ottawa: Statistics Canada releases building-permits report for May.

Earnings expected: Advanced Micro Devices Inc., Miller Industries Inc., Yahoo! Inc.

Copenhagen: Danmarks Statistik reports May industrial sales and orders.

Frankfurt: European Central Bank governing council meets.

Washington: Commerce Department reports on May wholesale inventories. Federal Reserve Board releases report on May consumer credit.

Earnings expected: Advanced Micro Devices Inc., Miller Industries Inc., Yahoo! Inc.

Americas

New York: Macworld Expo & Conference, Tuesday through Friday.

San Francisco: Bay Area Biomedicine Investment Conference, Tuesday through Thursday. Presenting companies include Genentech Inc., Protein Design Lab Inc. and Sequus Pharmaceuticals Inc.

Mexico City: Finance Ministry releases May's revised trade balance.

Buenos Aires: Banco de Mexico reports on foreign reserves.

Ottawa: Statistics Canada releases building-permits report for May.

Earnings expected: Motorola Inc.

Mexico City: Finance Ministry releases May's revised trade balance.

Buenos Aires: Banco de Mexico reports on foreign reserves.

Ottawa: Statistics Canada releases building-permits report for May.

Earnings expected: Advanced Micro Devices Inc., Miller Industries Inc., Yahoo! Inc.

Washington: Commerce Department reports on May wholesale inventories. Federal Reserve Board releases report on May consumer credit.

Earnings expected: Advanced Micro Devices Inc., Miller Industries Inc., Yahoo! Inc.

Washington: Treasury Secretary Robert Rubin leaves for four-day tour of Africa to push Clinton administration's policy of economic reform in exchange for aid. Labor Department releases June producer price index.

Stockholm: Statistics Sweden releases June unemployment figures.

Earnings Expected: Marquard & Bahls AG

Washington: Treasury Secretary Robert Rubin leaves for four-day tour of Africa to push Clinton administration's policy of economic reform in exchange for aid. Labor Department releases June producer price index.

Stockholm: Statistics Sweden releases June unemployment figures.

Earnings Expected: Marquard & Bahls AG

New International Bond Issues

Compiled by Paul Flores

Issuer Amount (millions) Mat. Cap. % Price and week

Floating Rate Notes

Credit Suisse First Boston \$150 2003 5/6 100.0625 — Over 3-month Libor. Noncallable. Fees 0.05% (Morgan Stanley)

GZB - Bank OM300 2003 5/6 100.065 — Over 3-month Libor. Noncallable. Fees 0.05% (DGB Bank)

Renault Credit Int'l. OM300 2003 5/6 99.839 — Over 3-month Libor. Noncallable. Fees 0.15% (ABN-Amro)

Allegemene Hypothekenbank ECU500 2000 5/6 100.003 — Interest will be 3-month Libor. Noncallable. Fees 0.10% (Barclays Capital)

Deutsche Euro 500 1999 5/6 100.0465 — Over 3-month Libor. Noncallable. Fees 0.05% (Warburg Dillon Read)

Fixed-Coupons

British Columbia OM750 2010 5/6 99.74 99.12 — Noncallable. Fees 0.35% (Deutsche Bank)

Lloyd's Bank DM600 2008 5/6 99.649 100.12 — Noncallable. Fees 0.40% (Lafayette Bank Int'l)

Saxony-Anhalt OM2,000 2009 5/6 100.003 100.005 — Noncallable. Fees 0.35% (Deutsche Bank)

Strikers Stay Cheerful In the Magic Kingdom

The Show Goes On at Disneyland Paris

By Craig Whitney
New York Times Service

MARNE-LA-VALLÉE, France — Mickey Mouse has been on the picket lines at Disneyland Paris for almost two weeks. Captain Hook wants more money, and so does Pluto, who says he likes his work but hardly has a bone to gnaw on come the end of the month.

A more wholesome-looking group of French labor militants you could not hope to find, all with Disneyland regulation haircuts and cheerfully greeting French, German, Belgian and Italian visitors on their way in for an afternoon of entertainment.

"We love working here," said Arnaud M., a 26-year-old Parisian who dons a "Pluto" costume in the daily parades down Main Street U.S.A. when he's working, but was as reluctant to say so as he was to see his last name published in a newspaper.

"We don't want to spoil the illusion for the kids," he said as he and about 30 fellow strikers, some wearing prisoner costumes with ball and chain, demonstrated cheerfully for higher wages outside the amusement park's main gate. "And I don't want to run the risk of retaliation by management after the strike is over," he said.

French fascination with American popular culture is almost as strong as French attraction to the benefits of the European welfare state, but the clash produced a Disneyland strike as the summer season began now that the park is turning a profit, after starting up heavily in the red in 1992.

"Disney asked us to help them out at the beginning by making sacrifices, and we accepted," said Isabelle Perche, a member of the French Christian Workers' Confederation labor union who is a technician at the park. "Now they won't recognize they have an ob-

ligation to us."

Euro Disney SCA, the company that runs the park, lost nearly \$1 billion in the 1992-1993 season under American management but then hired a French chief executive, Philippe Bourguignon, and lowered admission prices for the park, which is about half an hour east of Paris. It reported a profit of more than \$36 million last November, making 1997 the third consecutive year it was in the black.

Isabelle Clap, a spokeswoman for the company, said it was talking with the striking employees through the weekend in hopes of reaching a settlement. Only 40 out of 13,000 employees were striking Saturday, the company said, not causing any disruptions to its operations, including the parade, which had a full complement of 12 floats.

Few of the 13,000 were union members, Ms. Perche said, and none of the parade workers were, although hers is not the only union that has been offering them advice; the communist General Confederation of Labor union has also supported their demands.

"There are a lot of employees who sympathize with the demands they are making," Ms. Perche said. She said she earned about \$380 a month after payroll deductions and taxes, for a 39-hour week running attractions at the park, barely above the French minimum wage.

A youth who said he had played "Captain Hook" in the parade for five years said there had been as many as 200 Disney employees on the picket line. "Most of us earn about 7,500 francs a month gross," he said, the equivalent of about \$1,250. "What we want is recognition that under French law we should be paid as amusement park performance artists, which would give us about 9,500."



Striking Disneyland Paris worker joking with visitors outside the park.

French law also requires employers to pay about 40 percent in addition to payroll taxes and insurance and unemployment benefits, and grant all employees five weeks' of paid vacation.

Other amusement parks in France are only seasonal, "Pluto" said, one of many reasons why he had been happy to stay at Disneyland, open 365 days a year, for seven years although he might have been able to find more lucrative employment elsewhere.

Michel Dompnier, the Disneyland Paris labor relations director, said that the company had increased wages by an average of 8 percent over the last three years, above the rate of inflation.

"The government has raised the minimum wage by about 2 percent a year, so mostly Disneyland has just kept even with that," one of the strikers said.

Disneyland employees in the United States probably made more money than their French counterparts by working overtime, Miss Perche said, but French practice was to discourage overtime and create jobs instead. Soon Disneyland, like all other French employers, will also have to reduce the work week to 35 hours, with no cut in pay.

"Our way of seeing things is different," she said. "I don't think you can compare the two worlds."

Disarray in Tokyo Over Tax-Cut Pledge

Prime Minister Backpedals Before Elections

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Ryutaro Hashimoto kept the world guessing Sunday about whether he intends a permanent tax cut to bolster the Japanese economy, saying the issue was still just a debate.

In a political embarrassment for the prime minister one week before national elections on July 12, Mr. Hashimoto was forced to put to rest campaign comments made last week that were interpreted widely as meaning permanent income tax cuts were possible after the election.

"I never said permanent tax cuts," Mr. Hashimoto told Television Asahi on Sunday. "I just said we would review the tax system to make permanent reforms."

"Of course, I don't think as a result of the reforms we would end up with a tax rise, but I can't guarantee a tax cut. It's possible it might also be neutral," he added.

On Friday, during a campaign stop in Kumamoto, Mr. Hashimoto was quoted as saying, "I expect the tax system reform will be implemented on a permanent basis, rather than in the form of a temporary tax cut."

The prime minister, who denied his comments were elections-related, said his remarks had been misinterpreted because he has long held the view that tax reform is needed.

Mr. Hashimoto first made his com-

ments Friday, a day after Japan announced a plan to clear 77 trillion yen (\$55 billion) worth of problem loans through "bridge banks" to take over failed institutions. Although markets were briefly cheered by Mr. Hashimoto's comments, they held back from a major rally, fearing they were an electoral ploy that would not be carried through.

But on Saturday, Foreign Minister Keizo Obuchi appeared to confirm interpretations of the remarks as meaning permanent tax cuts were on the way, a view splashed on newspaper front pages.

"The prime minister himself mentioned making tax cuts permanent," Mr. Obuchi said. "He also mentioned lowering corporate taxes to global standards. We must keep a public promise made by our prime minister during campaigning."

But in a comment that raised questions about disarray in economic policymaking, the secretary-general of the governing Liberal Democratic Party, Koichi Kato, said Mr. Obuchi had "misunderstood" the prime minister's remarks.

The appearance, at least, of disarray was bad news for Mr. Hashimoto as Japan heads into the last week of campaigning before elections for half of the 252 seats in the upper house.

His party is expected to keep its majority. (AFP, Reuters, Bloomberg)

Seoul Says Budget Deficit To Widen Sharply in '98

Officials Hope to Spur Growth With New Outlays

By Don Kirk
International Herald Tribune

SEOUL — The Finance Ministry announced Sunday there would be a dramatic increase in the budget deficit this year as a result of efforts to stimulate an economy mired in a slump that officials admitted was far worse than anticipated.

The budget deficit, in the Finance Ministry's new stimulus program, would have to be 4 percent of South Korea's gross domestic product rather than 1.7 percent, the figure on which Korean officials settled with the International Monetary Fund three months ago.

Finance officials said the difference in percentages means that the deficit would rise to 17.5 trillion won (\$12.8 billion) from 7.8 trillion won.

By announcing new figures, the Finance Ministry hoped to set the stage for meetings with International Monetary Fund representatives starting Wednesday in which they will stress the need for a dramatic increase in government spending to rev up a wide range of fast-declining industries.

While deciding "to sharply expand its budget deficit to strengthen its fiscal function in economic restructuring," the ministry also pledged a cut in consumption and renewed efforts to bring in foreign investment and increase exports.

Ministry officials acknowledged that the plan to increase the deficit represented an abrupt revision of the earlier deficit ceiling worked out with the International Monetary Fund, which pieced together a package of nearly \$60 billion in loans to rescue the Korean economy in December.

The ministry disclosed its plan amid reports that the gross domestic product for the second quarter of this year was down 4 percent from the second quarter of last year. South Korea's GDP fell 3.8 percent in the first quarter from the first quarter of 1997.

The finance ministry announced its new budgetary needs after President Kim Dae Jung and chairmen of the chaebol, or major conglomerates, agreed on a pact obliging the government to pump more funds into their beleaguered organizations. In return, the chaebol leaders agreed to move faster toward a "big deal" under which they would merge their entities with strong ones from rival chaebol.

"The government will do its best to ensure the stable supply of funds to finance exports and imports," said point one of the nine-point agreement.

The agreement pledged an extra 500 billion won in credit guarantees and another 1 trillion won for credit for expanding exports and imports by the small and medium-size enterprises that have been hardest hit by the economic crunch.

Government and industry leaders disagreed, however, on a basic question: where to get all the money needed for growth. Kim Woo Choong, group chairman of the Daewoo Group and chairman of the Federation of Korean Industries, which is made up of chaebol leaders, proposed establishment of a large bank with foreign partners.

Lee Hun Jai, chairman of the financial supervisory commission, a watchdog agency that shut down five banks last week, warned against building such a bank on the basis of ever more loans and demanded full disclosure of the sources of funds.

Adding to financial worries, thousands of workers protested Sunday against both the shutdown of the banks and plans to privatize a number of major industries.

"Unite and fight," said the headbands and signboards held by several thousand fist-waving workers gathered in the vast square beside Seoul Station in the heart of the city. Several thousand more workers from companies in which the government owns stakes marched through downtown Seoul.

CYBERSCAPE

Europeans to Meet on Internet Names

Reuters

BRUSSELS — A debate over who should manage the Internet shifts to Brussels this week, with European industry representatives set to push forward a U.S. plan for reforming the network's name and address system.

The meeting on Tuesday, organized by the European Commission, is a prelude to a conference in Geneva later this month where the Internet's leading lights will try to agree on a framework for a new nonprofit corporation that will manage the address system.

The Europeans will be looking to ensure that they are fully represented within the new corporation — a sensitive point because initial U.S. proposals were criticized for failing to take a global approach.

"If Americans want the Internet to become truly global, which is economically very good for them, they have to be proactive about regional representation in the new corporation," said Daniel Kaplan, vice president of the French chapter of the Internet Society.

The agreement also extends for 10 years Iran Khodro's 1988 contract to assemble Peugeot's 405 model. More than 90,000 models have been built, and Iran Khodro is expected to produce another 25,000 405's this year, with local input of 60 percent. (Reuters, Bloomberg)

Wide Web pages or send electronic mail.

The program asks the private sector to set up a new entity, representing the interests of industry and consumers across the world, to take up questions such as how to relieve the growing commercial pressure for new address names.

One of its most pressing decisions will be whether to add new "generic top level domains" — the suffixes such as .com, .net and .org at the end of Internet addresses.

It will also have to decide how to end the monopoly of Network Solutions Inc., a U.S. company under government contract that now registers names in those three domains.

Jonathan Robinson, managing director of the British Internet services company NetBenefit, said he was ready to compete with Network Solutions and is worried that talks over a name-registration system will drag on.

It is critical to add new top level domains quickly, he said. "There is a real demand. It's like a mine, a finite resource, .com as a mine has been mined out."

NetBenefit, which registers Internet names ending in the .uk country-code suffix, is a member of the Geneva-based Internet Council of Registrars, or CORE.

CORE, which represents 87 registrars in 23 countries, was ready to implement a new system for Internet addresses in March but had to put it on ice when the United States issued its own draft plan in February.

That plan was revised to take account of criticism from the European Union and others — and CORE now generally supports the U.S. approach.

But it wants to ensure that it is represented on the new corporation's board, said CORE's secretary coordinator, Alan McCluskey.

Mr. Kaplan said he would raise his concern at the Tuesday meeting about the "bottom-up" industry-led approach advocated by the U.S. Commerce Department because he is not convinced that the private sector can manage the address system entirely on its own.

The Internet community is made up of diverse interests that have so far not reached a consensus about how to govern the global network, he said, adding that international organizations should be involved. "Somebody has to mediate a bit," he said.

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July 3

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Per \$

Per 100

Per 1000

Per 10000

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U.S. MUTUAL FUNDS

Figures as of close
of trading Thursday, July 02

Serial Acquirers' Maze Confounds Investors

Analysts Little Help in Complex Game

By Reed Abelson
New York Times Service

NEW YORK — They are serial acquirers — companies that play Pac-Man by gobbling up other companies, paying for the purchases with high-priced stock.

It's a cycle that feeds voraciously on itself: The more a company acquires, the higher the stock price, fueling even more acquisitions.

The buyers include such companies as Republic Industries, Nationsbank, Cendant and WorldCom. They promise investors that they will make money by transforming industries, providing tremendous economies of scale and greater efficiencies.

Early in the cycle, it may indeed work out that way. But investors can find it impossible to tell when the game is about to come to a grinding halt — rudely punishing the acquirer's stock.

Shares in the newly formed Cendant Corp. lost nearly half their value, for example, after the company disclosed in April that one of its businesses, the former CUC International, had overstated earnings. Waste Management's troubled accounting and ill-fated diversification attempts eventually crushed its shares and are driving the company into the arms of a rival.

U.S. Office Products' profits have slumped and the company recently ended up spinning off four units composed of some of its purchases.

What all serial acquirers — the successful and the not-so-successful — have in common is that their finances can confound even the most sophisticated investors.

Buyers of these companies' stocks must decide whether to risk being swept up in the deal-making in the hopes of riding a stock up further.

The sheer complexity of putting together dozens of companies or more — in each of its most frantic years, Waste Management bought as many as 100 companies — makes it nearly impossible to see whether the

acquiring company's strategy is working.

Adding to the confusion is that many of these companies employ accounting sleight of hand; in perfectly legal maneuvers, they mask the real cost of their acquisitions through write-offs, leaving the buyers looking more profitable than they really are.

In sorting this out, investors get little help from Wall Street analysts, who often play along. After all, corporations can come down hard on sayers.

Thomas Brown, until recently a banking analyst for Donaldson, Lufkin & Jenrette, long criticized the acquisition strategy of First Union Corp., which has made more than 70 acquisitions since 1985. As a result, he said, he was excluded from one-on-one meetings at First Union's headquarters in Charlotte, North Carolina. (First Union said it had never refused to meet with Mr. Brown.)

Another analyst, who asked not to be identified, recalled being threatened with a lawsuit by one serial acquirer after publicly questioning its purchases. Why the heavy-handed treatment? "So much depends on the stock price," he surmised.

Analysts can also be reluctant to look too closely at any one transaction for fear that their company might lose the lucrative investment banking fees on the acquirer's next deal.

A result of this combination of complexity and analysts' see-no-evil, speak-no-evil approach is that the guidepost usually followed by investors — the analysts' estimated growth rate of earnings — can vary so widely for these companies as to be nearly meaningless.

Analysts following WorldCom, for example, peg its annual earnings growth rate at anywhere from 20 percent to more than 50 percent, a range that suggests they are doing little more than guessing.



Edward Crutchfield, chairman of First Union, a serial acquirer.

Enthusiastic analysts are not always wrong, of course, and many investors enjoy long rides up with the stock of acquisition-happy businesses.

Sometimes, of course, the game goes on so long that analysts and investors catch on.

First Union has been engaged in its feeding frenzy for more than a dozen years, and the drops in its stock price after several of the bank's recent acquisitions indicate that many on Wall Street have grown tired of the game.

But other seasoned investors and analysts are so wary of the serial acquirers that they simply steer clear.

"I don't feel comfortable covering a company that makes so many acquisitions," said Stephen Sanborn, the research director for Value Line of New York, which provides stock analysis to individual investors.

Value Line does not cover Starwood Hotels & Resorts, for example, whose buying spree of about 40 businesses in the last three years includes this year's purchase of ITT Corp. for \$15 billion.

As a company gets larger, said Robert Olstein, a portfolio manager in Purchase, New York, "the pressure to keep that going is growing." Mr. Olstein, who has spent decades scrutinizing companies' financial statements, also avoids these

South Africa Taps Bank Chief

Labor Minister Will Prep for a Year Before Taking Post

Compiled by Our Staff From Dispatches

PRETORIA, South Africa — The South African government said Sunday that Tito Mboweni, the country's labor minister, will be the next governor of the South African Reserve Bank when Chris Stals' term ends in August 1999.

Mr. Mboweni, 39, will resign as labor minister on July 18. He will spend part of the next year abroad studying, including at the International Monetary Fund and the World Bank, in preparation for his new job leading the central bank, Deputy President Thabo Mbeki said.

By announcing a successor to Mr. Stals, the government is trying to shore up international investor confidence in South Africa following a slide in the rand.

The currency has lost more than a fifth of its value since the beginning of May as economic crises in Asia and Russia increased investors' perception of risk in other emerging markets.

The currency's latest plunge gave rise to speculation, denied by the government, that it had asked Mr. Stals to resign over his handling of the currency crisis. Many investors, traders, and economists have been calling for the government to appoint a successor to ease concern in the financial markets.

Speculators are expected to use the appointment of South Africa's first black central bank governor as another excuse to bate the rand, but some economists see the decision as a bold move that will bear dividends.

Mr. Mbeki said that Mr. Mboweni, who has locked horns with business in his campaign for labor reform in South Africa, was the best choice for the job, according to government spokesman. The government said Mr. Mboweni will carry on the tradition of the independence of the central bank enshrined in the constitution.

Mr. Mboweni had been suggested as a possible replacement for Mr. Stals in the past, and traders said talk surfaced in London late in the week that he might be picked. Still, some executives said his appointment came as a surprise and may not immediately bolster international confidence in South Africa.

"It's an unanticipated move," said Mike Vosloo, group chief executive of Standard Bank Investment Corp., South Africa's second-biggest bank by assets. "Ooe's going to have to wait and see exactly what kind of performance he'll achieve as governor. He's done a good job in a different portfolio, and he has the political affiliation."

The rand fell to its ninth record low in 12 days on Friday, with the dollar rising to 6.46 rand after the central bank's statement Thursday that it had taken on \$4.6 billion in foreign-exchange

liabilities to shore up the rand during June.

Meanwhile, South Africans were taking a more measured view of the appointment.

"I am entirely favorable towards the decision, although it is quite possible that the initial market reaction will be adverse," said Ted Osborne, a consultant economist to Absa Securities in Johannesburg.

"Dealers may initially dismiss Tito as a political appointment, but that would miss the advantages he brings to the job — political credibility, economic literacy and an outsider's view to the bank," Mr. Osborne said.

Mr. Stals, an Afrikaner, has won respect in the international financial community for his determination to squeeze inflation, although at home he is blamed for slow growth.

(Bloomberg, Reuters)

IBM Pulls Back In Argentina

Bloomberg News

ARMONK, New York — International Business Machines Corp., the world's largest computer maker, has said it will stop directly seeking computer-engineering contracts with Argentina's government as it faces federal allegations of bribery in that country.

IBM will shift its sales force to the private sector and will sell computer systems to the government only through local distributors, Fred McNeese, an IBM spokesman, said over the weekend.

"We'll handle the government through our local business partners," he said. He denied a report that IBM's Latin America group would stop seeking contracts with all governments in the region. "It's just in Argentina," he said.

Argentina has charged two former IBM executives and two U.S.-based IBM employees in connection with the alleged payment of up to \$37 million in kickbacks in the award in 1994 of a \$250 million contract with state-owned Banco de la Nacion Argentina, Argentina's largest bank.

In June, an Argentine judge, Adolfo Bagnasco, asked for the extradition of the four men, charging them with bribery and defrauding the state.

The arrest warrants were part of the Judge Bagnasco's investigation to determine whether IBM's head office knew about the alleged bribery.

The Other Rolls-Royce Says VW Still Can't Put the Name on Cars

The Associated Press

LONDON — Volkswagen AG completed its purchase of Rolls-Royce Motor Cars Ltd. late last week but may be missing one of the most important parts of the deal — the legendary Rolls brand name.

The No. 1 German carmaker, which bought Rolls-Royce from Vickers PLC for \$780 million, still has no deal to use the Rolls-Royce name and logo, according to Rolls-Royce PLC, the jet engine maker. Rolls-Royce PLC says it retains control of the brand.

Volkswagen is "aware of our rights to the name and trademark," said Martin Brodie, a spokesman for Rolls-Royce PLC. "We've not had any detailed discussions."

Vickers has said an old agreement giving Rolls-Royce PLC a veto over a foreign purchase of the car company is unenforceable. The two Rolls-Royce companies were separated in the 1970s.

SHORT COVER

Airline Links to Get Tentative Nod

BRUSSELS (AFP) — The European Commission will give a conditional green light this week to two planned aviation alliances between European and American companies, a commission spokesman said Sunday.

The EU commissioners will give their ruling Wednesday on the planned alliance between British Airways and American Airlines and on the link involving Lufthansa, SAS and United Airlines.

The final decision on whether to allow the alliances will come in October, after the interested parties have had time to react to the conditions proposed by the commission, which are expected to require that the airlines give up takeoff and landing slots.

The BA-American proposal, which would create the world's biggest and most powerful airline alliance, would still need approval by the British government and U.S. authorities. The alliance has been vigorously opposed by BA's competitors, particularly Richard Branson's Virgin Airlines.

Shell May Be Seeking a Partner

LONDON (Bloomberg) — The Royal Dutch/Shell Group said Sunday it was not ruling out the possibility of seeking an alliance partner in Europe, although it declined to comment on a report that it plans to link up with Texaco Inc.

Eric Nickson, spokesman for the Anglo-Dutch oil group, said that Shell was evaluating further ways to revitalize its oil refining and fuel marketing unit in Europe, a month after it announced the closure of a refinery near London because the refining business is overburdened by a fuel glut in Europe.

Hurdles Facing Monetary Union

CONSTANCE, Germany (Bloomberg) — Unemployment and a lack of resolve among states to control deficits will be the first obstacles to the smooth running of European monetary union, according to Otmar Issing, the European Central Bank's chief economist.

The high level of unemployment in the monetary union, which stood at 11.3 percent in April, is a "depressing burden," Mr. Issing said in remarks prepared for a speech at the University of Constance, where he received a doctorate. "The impending dangers for monetary policy are obvious."

Foreign Investment in China Falls

BEIJING (AFP) — Utilized foreign investment in China fell 6.85 percent in May and will continue to drop through the year as the Asian financial crisis deepens, the State Trade and Economic Commission said Sunday.

Realized foreign investment reached \$3.17 billion in May, 6.85 percent below the May figure in 1997, said Cao Derong, a commission official.

The decline of realized foreign investment arose mainly from the battered investment capacity of China's major investors in Asia," Mr. Cao said.

Air Afrique said Sunday that credit insurers were seizing four A310-300 planes at midnight Tuesday because of the repayment of arrears on its debts. (Reuters)

Shares in Luxembourg's Societe Europeenne des Satellites have been priced at 6,000 Luxembourg francs (\$160) each in an initial public offering, the company said Sunday. (Reuters)

Director Marketing and Business Solution

The position will be responsible for developing and implementing marketing plans, supporting the Sales force in achieving the Sales goals and monitoring the results, thus leading to business growth and customer satisfaction.

Key tasks are to develop and implement marketing plans; to monitor the progress and adapt in order to optimise short-term results and long-term strategy; to be the main interface with Corporate Marketing including product research and development, sector marketing and commercial planning; to drive business solutions required by customers in co-ordination with all internal and external clients; to manage marketing communication; to give full support to Sales activity from a technical and process standpoint.

The ideal candidate, aged 32/40, has a successful experience in strategic and operation marketing and in Sales support, achieved in a competitive and preferably Telecom environment; good expertise in marketing planning in a high-tech and fast changing industry; Marketing or Business degree; excellent creative and communication skills; management skills and team player in a multidisciplinary matrix environment. Ref: 273

Director Business Planning & Financial Performance

The position will be responsible for planning and controlling the business and financial performance of the area.

Main tasks are to manage the Sales Contract approval process; to prepare and develop the business plan in co-ordination with Corporate and area Marketing; to forecast and monitor revenue, costs and commercial results; to be responsible for efficient billing processes; to prepare business cases and financial analysis of major sales and other commercial projects.

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Global Recruitment

Director Customer Service

The position will be responsible for achieving customer satisfaction goals in the area.

Key tasks are to plan and implement measures to achieve customer satisfaction objectives; to be responsible for implementing and monitoring the Service Level Agreements process; to promote a culture of customer satisfaction among all parties involved; to establish a close relationship with internal and external clients thus to ensure that delivered services meet or exceed customer expectations; to measure and monitor customer satisfaction; to recommend and take joint action to improve customer satisfaction. The ideal candidate, aged 32/40, has a proven successful experience and motivation in the management of customer expectations; has strong commercial and business awareness; outstanding drive and motivation for improving customer service; excellent leadership and interpersonal skills, as well as the ability to establish and maintain high level contacts. Ref: 275

Director Sales, South Europe

The position will be responsible for achieving commercial targets in the South Europe region, by building and managing a world-class sales force and enhancing customer satisfaction.

Main tasks are to achieve revenue and new business targets, to manage, develop and motivate a highly professional sales force of about 25; to be responsible for managing his sales cost budget; to develop a high level of satisfaction among his customers and exceed customer expectations; to implement effective forecasting and reporting systems and procedures.

The ideal candidate, aged 32/40, has five years or more proven success in sales management in IT and/or Telecoms products and services; creative and able to promote innovative solutions; team leadership strengths; outstanding communicator and negotiator; strong customer focus. Ref: 279

PA Consulting Group

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, June 3

Continued on Page 17

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WORLD CUP

WORLD CUP BRIEFS

Referee Sets Record

Arturo Brizio Carter, a Mexican referee, broke the World Cup red card record in sending off Argentina's Ariel Ortega and Dutch defender Arthur Numan.

"Brizio Carter has now sent off seven players in his six World Cup matches and has thereby put himself ahead of the pack," Keith Cooper, a spokesman for FIFA, world soccer's governing body, said Sunday.

Cooper went on to praise Brizio Carter for giving Ortega a yellow card for diving Saturday before sending the player off.

"His reaction was absolutely correct," Cooper said. "It's cheating and it's a yellow card."

Joel Quiniou, a Frenchman who refereed eight World Cup matches, more than anyone else, sent off five players.

Brizio Carter made his World Cup debut with the 1994 match between Germany and Bolivia in Chicago. He sent off Bolivian substitute Marco Echeverry four minutes after the player had come on. In his next match, in San Francisco, he dismissed Cameroon's Rigobert Song against Brazil. Then he sent off Italian forward Gianfranco Zola after 76 minutes against Nigeria. The player had only been on for 12 minutes.

This time, Brizio Carter sent off two players as France played Saudi Arabia: Zinedine Zidane of France for stamping and Mohamed al-Khalifi of Saudi Arabia.

"I don't think it has anything to do with the referee in question. Brizio Carter. It just happens to be that he was in the wrong place at the wrong time, or the right place at the right time, whichever way you want to look at it," said Cooper.

Cooper said FIFA was concerned about players trying to hoodwink referees by diving.

"A lot of players are damned good at it and it's not very easy to distinguish between a genuine foul and a dive," he said.

"I heard one comment from a coach that surprised me: He told his players if they got a chance, "to take a dive." That is to be totally condemned."

(Reuters, AFP)

England Star Player Hurt

England midfielder Paul Ince told British Sunday newspapers he had played in the World Cup despite having a broken ankle bone.

Ince played with his left ankle strapped. He said he was injured in a tackle in an English league match in May.

(Reuters)

Vogts Stays, Players Go

Berti Vogts said Sunday he would stay as Germany's coach but intended to revamp his side for the 2000 European Championship qualifying competition, which starts in October.

"Euro 2000 gives us a chance to bring in young players who have potential," Vogts said the day after Germany lost to Croatia.

"The problem is not enough young players are given their chance in the Bundesliga," he said.

(Reuters)

RESULTS AND SCHEDULE

QUARTERFINALS

JULY 3, IN NANTES
Brazil — Bebeto 11, Rivaldo 26, 30
Denmark — Morten Andersen, Brian Laudrup 50
JULY 4, IN ST. DENIS
France 4, Italy 0

France won 4-3 on penalty shootout.

JULY 4, IN MARSEILLE
Netherlands — Klaas 12, Bergkamp, 90
Argentina — Lozano 11

JULY 4, IN LYON
Germany 5, Croatia 3

Croatia — Jarni 45, Vlasic 80, Soler 85

SEMI-FINALS

JULY 7, IN MARSEILLE, JULY 8, IN ST. DENIS, 8PM
Brazil vs. Netherlands France vs. Croatia

THIRD PLACE

JULY 11, IN PARIS, 8PM
Losing semifinalists

FINAL

JULY 12, IN ST. DENIS, 8PM

All times local. When matches are drawn after 90 minutes, teams start to play two 15-minute periods of extra-time. Play now stops immediately when one team scores an extra-time — a "golden goal" for the winner, sudden death for the loser. If no goal is scored in the 30 minutes, the match is decided by a penalty shootout.

Forced to play with 10 men for the final 50 minutes, Germany, a three-time World Cup champion, suffered its largest defeat since a meaningless 8-3 loss to Hungary in the first round of the 1954 World Cup. For the second consecutive time, Germany has exited the World Cup in the quarterfinal round.

There were no comebacks for Germany on Saturday, as there had been

against Yugoslavia and Mexico. For the fourth consecutive game, Coach Berti Vogts' team failed to score in the first half. Age, and the disputed red card, finally overcame Germany's relentlessness.

Croatia, meanwhile, became the first

team since Portugal in 1966 to reach the semifinals on its first trip to the World Cup. Its players are not exactly rookies, however. Four of them played for a

united Yugoslavia in the 1990 World Cup, and the roster stocks some of

Europe's top club teams.

But there is no diminishing Saturday

night's achievement. Croatia is second only to Jamaica among the 32 teams in the tournament in terms of smallness of its population, with 4.7 million residents. That compares to 6.2 million registered soccer players in Germany.

Croatia now pollutes the top European leagues of Italy, Spain, Germany and England. Davor Suker, who has

four goals in the World Cup and is one

of the world's top forwards, plays for

Real Madrid, the 1998 European club

champion. The injured forward Alen

Bokšić helped Juventus win the Italian

League in 1997 and now plays for

Lazio. The midfielder Zvonimir Boban

is on the roster at AC Milan.

Boban became the spiritual leader of

the Croatian team on May 13, 1990,

during a Yugoslav League match be-

tween the Croat-supported

Bergkamp Seals It For the Netherlands

A Temper Tantrum Costs Argentina Dearly

By Anne Swardson
Washington Post Service

Bergkamp's record 36th goal for the Dutch national team.

MARSEILLE — In the brilliant golden light of Mediterranean France, the Netherlands beat Argentina, 2-1, in a World Cup quarterfinal Saturday, with Dennis Bergkamp's masterpiece of a goal in the 90th minute off a 60-yard pass from defender Frank de Boer.

The Netherlands — which never has won the championship — will make its first World Cup semifinal appearance in

NETHERLANDS 2, ARGENTINA 1

20 years in Marseille on Tuesday against four-time champion Brazil, which eliminated the Netherlands in a 1994 quarterfinal.

Argentina goes home chastened and tired, four days after it defeated England on penalty kicks after a grueling, 120-minute overtime match. Coach Daniel Passarella blamed the loss on fatigue.

Perhaps, but it was worsened and hastened by an act of temper by one of the team's stars, midfielder Ariel Ortega. In the 86th minute, with the score at 1-1 and the Dutch down to 10 players because of defender Arthur Numan's ejection in the 72nd minute, Ortega faked a dive over Jaap Stam, the Dutch defender. As the referee reached for a yellow card, Ortega rose, ramming the top of his head against the jaw of the tall Dutch goalkeeper Edwin van der Sar, after van der Sar had left his goal, apparently to taunt. Ortega received a red card. Two minutes after he left the field Bergkamp conjured the winning goal.

Bergkamp ran onto a long pass by de Boer deep in Argentina's penalty area. He swiveled to his left, tricking defender Roberto Ayala, before beating Carlos Roa, the Argentine goalkeeper, with a ferocious, swerving shot. It was

Numan's ejection, for receiving two yellow cards in the game, means he will miss at least the semifinal against Brazil, which will be without starting defender Cafu. Cafu received his second yellow card of the elimination rounds Friday.

The Dutch panned the Argentines back for long stretches. Midfielder Edgar Davids frequently won the ball back with powerful tackles as the Argentines tried to clear and then launched the next attack with tricky dribbling.

Patrick Kluivert — who scored the first goal — appeared to be returning to form in his first start since his expulsion in the opening Dutch game.

"We know we are physically very strong," said the Dutch coach, Guus Hiddink. "We made good preparations in Switzerland."

The team's success also was inspired



Patrick Kluivert, left, and Pierre van Hooijdonk savoring the Dutch win.

by stamping, shrieking Dutch fans who outdid their Argentine counterparts in numbers, and in visual and aural intensity. Their bright T-shirts in orange, the national color, glowed iridescently.

The Dutch are all bilious; their fight songs in English included "He's Got the Whole World in His Hands" and "Oh Holland, We Love You."

During the postgame celebration, the Dutch players trotted across the field toward the stadium's largest section of orange shirts and hats as if they were moths drawn to a flame. Leaping the field's barrier, van der Sar saluted the crowd and was tossed a cascade of orange caps; he and other players put them on as they did a tour of the field.

The Drama Of Being a Soccer Fan (For a Day)

By George Vecsey
New York Times Service

MARSEILLE — Don't twitch, wife warned me. Was it that obvious? My legs were jerking under the table, but I thought I was controlling my arms and face.

We were sitting in a café in Aix-en-Provence on Friday afternoon, watching the Italy-France game on television.

VANTAGE POINT

There is not a team in North America that could cause me to root, but every four years or so I owe it to myself to feel like a fan.

People care so much at these games, some of them stinkers, some of them classics.

I had Friday afternoon off, and I was sitting in the Belle Epoque café in Aix, under the row of trees in that ancient southern town, surrounded by French people, all rooting for their national team. The stereotype has been that the French are too blasé to care about the World Cup, but I have seen televisions flickering in apartments above the silent streets whenever Les Bleus were playing.

The French soccer fans have decades of disappointment to exorcise, in relation to the Italians, the Germans, the Brazilians, the Argentines. Friday was their day to hope. "Don't root, they'll kill you," my wife whispered.

Kill me? They're already trying to kill me, with all the cigarettes they smoke in public. I will never understand how a people that cares so much about good food and tasteful clothing will stink up the air — and the food, and the clothing. But the brutal pollution was not why my twitching body was rooting for Italy. It's nothing personal; nothing ethnic, nothing nationalistic. It's just that all season long for nearly a decade I have been watching the Italian league on television in New York on Sunday mornings. These are my *ragazzi*, my boys.

Particularly Roberto Baggio. I have been following the soap opera of the introverted little attacker, his great moments and his slumps, his fans and his critics, his mother's sadness at his conversion to Buddhism, the ponytail that came and went, the coaches who benefited him in favor of lugs who had nothing going for them other than size.

I never understand coaches who fight against the concept of talent. Don't they see what Baggio does with the ball, with his mind? Fortunately, the Italian coach, Cesare Maldini, is a large, secure man who had enough courage to call Baggio back to the national team, and then save him for appropriate moments.

The fans in the café roared as France came out on attack, but it was clear that these players, who respect each other so much from the Italian league, were afraid to make a mistake. Maldini sent in Demetrio Albertini. ("I don't like this guy, he's a soft player," I whispered to my wife.) Then Maldini sent in Baggio. ("Watch the game change," I whispered.)

For the first time all day, Italy seemed to have a clue — five or six touches in a row, the ball swinging from side to side. The café grew quiet, but the game was scoreless after 90 minutes. I owed it to my wife to get her out of this smoky pit.

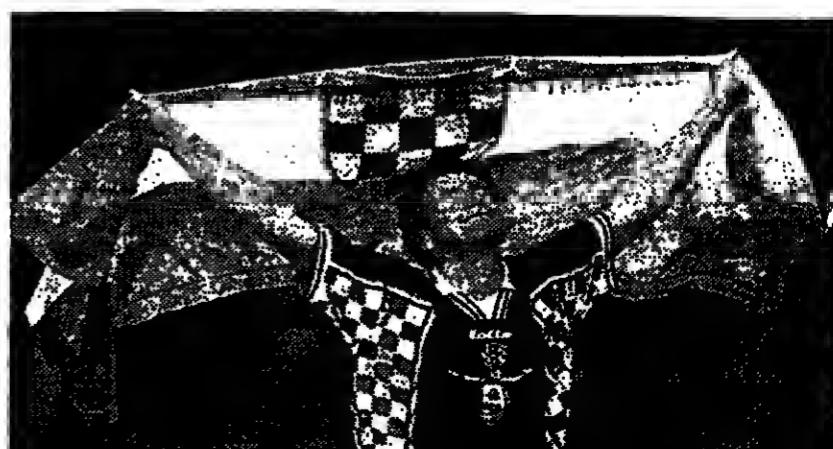
We went back to our hotel room, and now I was able to throw every extremity into motion, personally pushing the ball forward for Italy.

You could see Baggio's moment coming. On the run down the right side, he caught a pass from Albertini, on the outside of his right foot, a skill so exquisite that I pity the Americans who cannot comprehend it. In full stride, Baggio unloaded a moderately hard shot that whistled just wide to the left. I lay on the bed and kicked my legs in the air. It was Italy's best and last shot.

I had no hope for a shoot-out because it is just a roll of the dice. I just wanted Baggio to make his penalty kick.

I nailed it, but Albertini missed and Luigi Di Biagio missed, and the World Cup was over for my ragazzi.

Outside in the streets of Aix, those dispassionate French fans were honking horns and cheering. I turned up the television and shook my fists to the heavens and yelled, "Aaaaargh!" So this is what it's like to be a fan.



Davor Suker waving the Croatian flag after his team defeated Germany.

Archibald, the Croatian players note that they are still in the World Cup, while Yugoslavia was eliminated in the second round.

Blazevic has been telling his players since the 1996 European championships that they were the best in the world.

"We laughed before, as if it were joking," Blazevic said. "Now we are laughing. We are not saying we are the best. But we deserve to be in the final four. We have every reason to say we have a chance."

CUP: Croatia Emerges as Strong Contender as It Heads Into Semifinal Against France

Continued from Page 1

in its locker room and, giddy with victory, told the players they could make it to next Sunday's final.

"He was like a little child," Bilic said.

Croatia is a team with great confidence, rough strength, a compact defense that has allowed only two goals in five matches, and a prideful nationalism forged from its war of independence from Yugoslavia. Peter Šimac, a substitute forward, fought against the Yugoslav Army. Asanović said he lost two close friends, Igor Stimac, a defender, said his brother served in a triage unit.

The soccer players continued to play their sport during the war, some inside Croatia, others outside, to save their careers and promote their country. To show the Serbs, Šimac said, "that football was still alive, that we were still alive."

"I think we are much stronger now on the field after what we've been through," Šimac said. "There is nothing to be afraid of now on the green pitch."

While they are first-timers in the World Cup, the Croats are far from soccer rookies. Croats played on the 1948 and 1956 Yugoslav Olympic soccer teams, which won silver medals, and the 1960 team, which took gold. Five members of the current Croatian team played on Yugoslavia's world champion under-20 team in 1987, and four members of the current Croatian team played for Yugoslavia in the 1990 World Cup. Robert Prosinecki, a midfielder, has the distinction of having scored for Yugoslavia in 1990 and for Croatia in 1998.

Croatia now pollutes the top European leagues of Italy, Spain, Germany and England. Davor Šuker, who has

four goals in the World Cup and is one of the world's top forwards, plays for Real Madrid, the 1998 European club

champion. The injured forward Alen

Bokšić helped Juventus win the Italian

League in 1997 and now plays for

Lazio. The midfielder Zvonimir Boban

is on the roster at AC Milan.

Boban became the spiritual leader of the Croatian team on May 13, 1990, during a Yugoslav League match between the Croat-supported

Dynamite and the Serb-supported Red Star Belgrade. When fans began fighting, Boban ran up and kicked a Yugoslav police officer who had raised a truncheon at a Croat fan, according

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WORLD ROUNDUP

Carter Wins Playoff

GOLF David Carter beat Colin Montgomerie in a playoff Sunday to win the Irish Open in Wicklow. Carter won his first European Tour title the hard way. He led by four shots at the turn but allowed Montgomerie to catch up. Carter seemed to have hand Montgomerie victory when he found the water at the 18th, but then sank a 20-foot putt to force a playoff. Both players finished with six-under-par 278. Montgomerie carding a three-under 68 to Carter's 71.

The 18th was the first playoff hole. Carter found the green in two, but Montgomerie hit his second shot into the lake short of the green. (Reuters)

KOREAN ROOKIE Se Ri Pak fired a four-over-par third round of 75 to lead the U.S. Women's Open on Saturday as the players struggled in high winds at the Blackwolf Run course in Kohler, Wisconsin.

Pak complete 54 holes at one-over 214. Sweden's Liselotte Neumann who shot 75, and Mhairi McKay of Scotland, who equaled the best round of the day with a 73 were one shot back. (AFP)

Captain Fights Back

CRICKET Captain Alec Stewart, who finished 114 not out, and former captain Michael Atherton, 81 not out, added 200 runs Sunday as England fought to avoid defeat in the third test against South Africa. England was bowled out in its first innings for 183, 369 runs behind. Then lost two second-inning wickets for 11 runs. (Reuters)

Springboks Beat England

RUGBY UNION South Africa slogged their way to an 18-0 victory over England in the mud and rain at Cape Town on Saturday.

Joost van der Westhuizen and Stefan Terblanche scored the only tries. England defended stoutly but never remotely looked like scoring a try. (Reuters)

Bugner Takes World Title

BOXING Joe Bugner, a 48-year-old grandfather, won a world championship, of sorts, when his opponent, James (Boecrusher) Smith, 45, dislocated a shoulder throwing his first punch of a World Boxing Federation bout. Smith, a former World Boxing Association heavyweight champion, retired after the first round.

"The very first punch that landed, it got Joe in trouble," said Smith. "It just so happened it got me in trouble, too."

Twenty-three years after losing 60 points to Muhammad Ali in his only other shot at world title, Bugner was finally a world champion.

Eight promoter Andrew Haberfield said he had talked with the Mike Tyson's representative about a fight with Bugner. (Reuters)

Sampras Captures His 5th Victory at Wimbledon

Ivanisevic Becomes a Loser - for the 3d Time

By Jennifer Frey
Washington Post Service

WIMBLEDON, ENGLAND — Pete Sampras considers Center Court at Wimbledon as familiar, and as comfortable, as his favorite practice court back home in Florida. He always seems to rise to the occasion, no matter the opponent, no matter the circumstances, no matter the current state of his game. Sunday was no different.

Facing his most difficult challenge in this, his fifth Wimbledon final, Sampras battled his way to a 6-7 (2-7), 7-6 (11-9), 6-4, 3-6, 6-2 victory over Goran Ivanisevic, who became a third-time Wimbledon loser, and collapsed into his courtside chair looking like an empty husk.

The victory tied Sampras with Bjorn Borg with most Wimbledon titles in the open era. Each has five. The victory tied

Novotna wins final. Page 19.

him with both Borg and Rod Laver for second-most Grand Slam titles at 11. At 26, and with what he calls "a few good years left in me," Sampras needs only one more Grand Slam title to tie Roy Emerson for the most in history.

"All Wimbledons are very, very sweet," said Sampras, who had out wooed a major title since his victory here last year. "It is a little bit overwhelming to have won five, and to be a couple from the record. It's really hard to talk about. It's a little overwhelming to think of myself in those terms."

Sampras broke into a broad smile after he broke Ivanisevic to take the final game. And though he did not cel-

ebrate wildly — Sampras never does — he looked almost giddy as he sat in his chair and waited for the trophy presentation, grinning up at his girlfriend, Kimberly Williams, and his coach, Paul Anacona, all the while.

Across the way, in the other chair, Ivanisevic sat with a towel over his head, unmoving, his body a portrait of heartache. Tournament referee Alan Mills had to nudge him to go up and receive the runner-up platter from the Duke of Kent, and, when he did, Ivanisevic looked as if he didn't want to touch the dish, let alone take it home.

"It feels bad," Ivanisevic said later. "I cannot describe it. It's the worst moment in my life."

The five-set final was the first in a Grand Slam since Sergi Bruguera beat Jim Courier at the 1993 French Open, and it was first here at Wimbledon since Andre Agassi beat Ivanisevic in 1992 to give the 26-year-old Croatian the first of his three Wimbledon title defeats. The other came to Sampras in 1994, but that match was nothing compared to this one.

"Compared to all the Wimbledons I've played this is by far the toughest," said Sampras, who beat Ivanisevic in straight sets last time. "I'm sure this one is going to sit with both of us, you know, this match, and I'm sure he's frustrated. I would be frustrated if I was in his shoes."

Ivanisevic won the first set in a tie break. Then, during the crucial second-set tiebreak the two players traded set-point opportunities — Ivanisevic failing to convert first, then Sampras, then Ivanisevic, then Sampras again. And Sampras, finally, felt the match slipping away.

"God," Sampras, said he thought to

himself. "This could be Goran's year."

But Sampras hit a huge serve that Ivanisevic could only touch on his thin set-point, and rolled toward victory in the next set as Ivanisevic agonized over the two backhands he missed on his set-point chances. Still, Ivanisevic refused to give in.

Ivanisevic's serve was a roller-coaster, with 32 aces and 20 double-faults, and he rode it to force the fifth set.

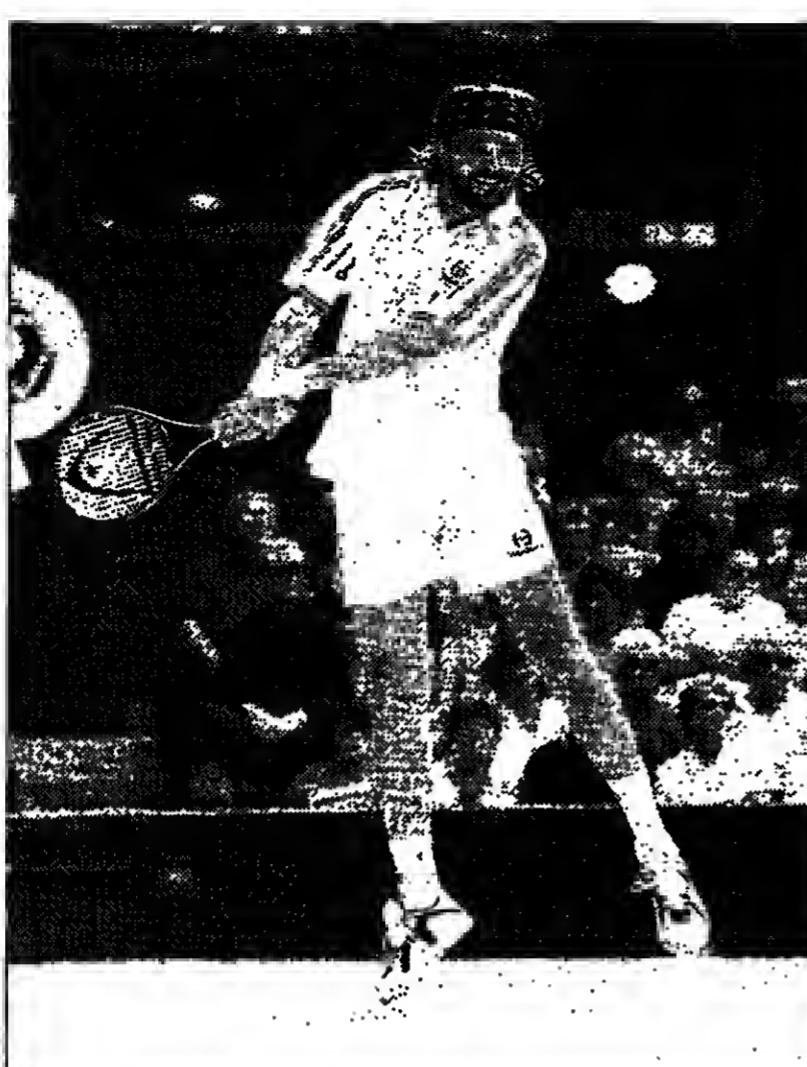
Once he got there, though, Ivanisevic discovered he had nothing left.

"My legs were not fresh like I was supposed to be," he said. "That fifth set against Richard Krajicek cost me this final today."

For once, the hot-tempered Ivanisevic was able to keep his head about him. The same could not be said for his legs. Tired from the 28-game fifth set he had to play to win his semifinal on Friday, Ivanisevic was slower to the net in the fifth set, and, as a result, Sampras passed him with greater and greater ease. Ivanisevic was broken in the sixth game of the set, then broken again, at love, to lose the match.

The Wimbledon fans, who had been thrilled to see Jana Novotna, another two-time finalist, take the women's trophy here Saturday, clearly had a soft spot for Ivanisevic. They urged him, unsuccessfully, to take a lap with his runner-up platter, and cheered when he lifted a limp arm to wave good-bye on his way off the court. Nothing, though, could cheer up Ivanisevic. He may have arrived wearing a Croatian soccer jersey and a huge grin, but he left wearing a look of despair.

"I cannot cheer anybody now," he said. "I can only kill myself. Now I'm not good for anybody."



Goran Ivanisevic on his way to defeat Sunday by Pete Sampras.

A Substitute's Dream Ends in an Instant on the Training Field

International Herald Tribune

PARIS — The substitute in soccer waits for another man's misfortune to get his chance.

For Winston Bogarde, the big Dutch reserve left back, Saturday brought the joy of hope the minute that Arthur Numan, who wears the shirt he wants, was sent off for a second yellow card foul against Argentina. You could sense, almost see, Bogarde saying to himself, "If we get through, when we get through, that place is mine."

Come Sunday morning, Bogarde's training

Bergkamp Seals Dutch Victory, Page 18.

down on the southern coast no doubt had that extra snap of expectation, that confidence that he, as the Dutch team's only real specialist alternative to the suspended Numan, was so very close to Tuesday's semifinal against Brazil in Stade Velodrome, Marseille. At 28 years of age, this is what you wait a sporting lifetime for.

There are some who said that Bogarde, with his impetuous style, was what the Brazilians would want in opposition. That is cruel, but crueler still is what befell Bogarde at the end of Sunday's training session. He was just running for the ball, with no one within touching distance, when his studs

caught in the turf, his right leg went over the boot and, in a terrifying cracking of bone, a searing instant of pain, his World Cup was over before it had seriously begun. The lower leg was bent beneath him at a grotesque angle to the ankle and, though in all such cases a hospital diagnosis will be delayed until the swelling subsides, this huge athletic man, known as Mr. Tough, was in tears of pain and desperation before they carefully lifted him off the grass and into an ambulance.

The Barcelona defender, very much a loner, eating alone, sleeping alone and thinking alone, is now isolated in a hospital. Joy to despair in just a second, an act of no malice, no challenge even. His World Cup had been confined to a quarter of an hour of undistinguished defending against Mexico, after which he had only the longing of the substitute to sustain his purpose here in France.

Numan and the others who performed against Argentina were already in the bus, leaving the training ground. For their bodies the only requirement on the morning after a victory was to gently shake the stiffness and tiredness out of their limbs, to soothe the soreness.

On that bus was Dennis Bergkamp, who was at

the other extreme of soccer's unrelenting ups and downs after his quintessential winning goal the day before. When he ran for the pass from Frank de Boer, a pass in itself a practiced masterpiece of Dutch art, Bergkamp still had work to do.

Bergkamp, with three deft touches of his right foot, brought the ball under his spell, dabbed it the other side of defender Roberto Ayala, and then placed it past the exposed Argentina goalkeeper.

Before that, Bergkamp had been an embarrassment to his own high standards. True, he had created his team's earlier goal for Patrick Kluivert, with header few would have had the vision or timing to deliver. But he was tiring, sadly, he was laboring and he was thinking along with others in the stands: How off-form does a man have to be before the coach replaces him with a substitute?

Yet a coach clings to a player of such ability. "Gert Hiddink must take him off!" said a follower of the Dutch team.

"No way," responded Ronny Gullit, the former Dutch captain who was in the stands. "Dennis can't play this badly without producing just one or two great moments, and that can win you the game."

Great minds think alike. "I had only two moments in the whole game," said a relieved Bergkamp, "and they were significant moments."

The difference, in fact, between going home

unfulfilled or going on to a chance to avenge a 3-2 loss in Dallas where the Brazil-Netherlands match was by some way the final contest of the 1994 World Cup.

We might dream now, with Brazil defending vulnerably but willing to dispel all pretenders to its crown, for such a match as Tuesday's semifinal. Maybe it is not such a dream, because, apart from the scoreless draw between France and Italy, the quarterfinals were full of surprises with mistakes punished, great goals scored and from Croatia the proof that little nations of great spirit and accomplished technical skills can field 11 players to take on the world.

It will be no consolation to Bogarde, but the sport he plays has become beautiful at the very stage where the shadows of caution normally block out the light of adventure. He will watch, if he can bring himself to, the semifinal and the final either from the touchline or from a hospital bed. This is a man's game, with no time for the wounded, no sentiment for those who come as a reserve, who wait and hope and trive the call of fame.

Pain is private. Alas, poor Winston, the show must go on.

Rob Hughes is the Sports Correspondent of The Times of London.



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